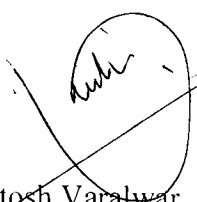

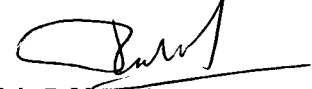
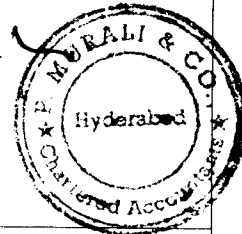


FORM A
(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the Company:	Vivimed Labs Limited .
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5	To be signed by-	
	<ul style="list-style-type: none"> • CEO/Managing Director 	 Santosh Varalwar CEO&Managing Director
	<ul style="list-style-type: none"> • CFO 	--
	<ul style="list-style-type: none"> • Auditor of the company 	 P.Murali Mohana Rao For P.Murali & Co Membership No.073412
	<ul style="list-style-type: none"> • Audit Committee Chairman 	 Mr.P.V.Rathnam Chairman,Audit Committee





Vivimed

Vivimed Labs Limited

Annual Report 2014-15



Plans for
Plants

Forward-looking information

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever

possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our

assumptions. The achievement of results is subject to risks, uncertainties and estimates taken as assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

Between the pages

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and Analysis **16**

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Report **51**

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Notice **119**




Vivimed Labs reported a moderate revenue growth of 2.0% and bottomline growth of 8.5% in 2014-15.

The Company now stands at an inflection point where it's Plans for Plants strategy is expected to start delivering results, over the medium-term.

Expected to strengthen our revenue per rupee invested across the foreseeable future.

Strengthening growth rate, profitability and shareholder value.



Our
snapshot



Vivimed Labs Limited. Chemistry specialist.

Presence in niche verticals, namely pharmaceuticals and specialty chemicals
Global company with an Indian address.
Preferred partner of global and Indian brands.

Vivimed Labs is a successful and reputable international brand in the Pharmaceuticals and Specialty Chemicals businesses.

Headquartered in Hyderabad (India), the Company has 12 manufacturing facilities across three continents; its business operations are managed by 2,300 professionals while its innovation strategy is driven by 170+ R&D personnel across five R&D centres.

Vivimed's equity shares are listed on the BSE and NSE in India. As on 31 March 2015, the Company had a market capitalisation of ₹ 5,956 million.



Unique business model

- Uses chemistry to create ingredients, which touch human lives every single day
- Focused on the pharmaceutical, personal care, home care and industrial segments across the world
- Multiple manufacturing and R&D centres provide efficient platforms in India across business segments
- Product portfolio caters to more than 75% of the personal care ingredients market
- Combination of stable margin and high-growth global businesses

Best-in-class operations

12 manufacturing facilities and five R&D centres across the world (four US FDA-approved sites)

Pharmaceutical revenues

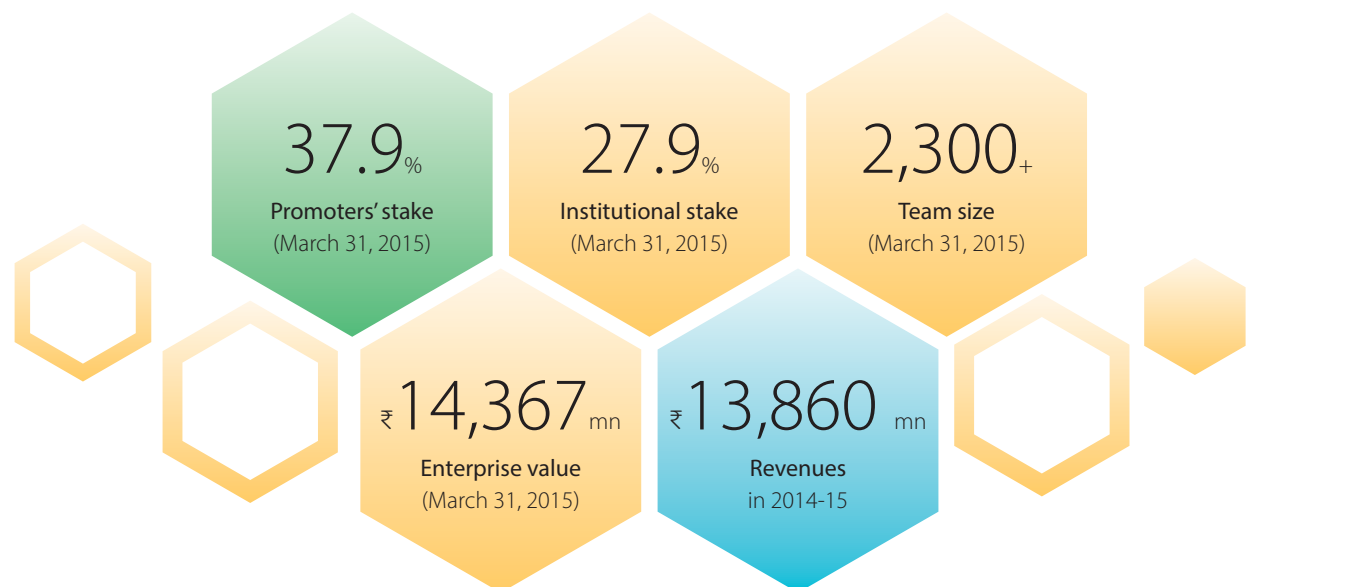
Regulated markets - 85%; semi-regulated markets - 15%

High entry barriers

Longstanding customer relationships and in-house knowledge base

- Flexible manufacturing across API and active ingredients

Marquee clients





Plans for
Plants

Specialty

chemical
plants



The Company expects to launch new products in its suncare range that recently went off-patent after securing approvals from global customer pool.

AT VIVIMED LABS, THE TEAM RATIONALISED ITS PRODUCT PORTFOLIO WITH THE OBJECTIVE TO ELIMINATE LOW MARGIN PRODUCTS, LIBERATING ITS PRODUCTION CAPACITY FOR THE FOCUSED MANUFACTURE OF HIGHER VALUE PRODUCTS WHILE RATIONALISING COSTS.

This objective has been reinforced through the following initiatives:

- The Company expects to launch new products in its suncare range that recently went off-patent after securing approvals from global customer pool.
- Vivimed began to develop and sample new products to add to its presence in the high-value hair dyes and photochromics segment and hopes to commercialise these products in the current year.
- Commenced manufacture of a high-value active ingredient used in hair care (300-tonne per annum) for an MNC following approvals; in 2014-15, commercial supplies have begun to ramp up towards the close of the year.

Even as the EBIT margins in this business remained stable in 2014-15, management is confident of expanding operating margins further in the near future based on product mix evolution.

Plans for
Plants

API plants





The Company's facility in Mexico also completed an inspection by the USFDA, amongst other regulators which will, in all likelihood, help attract more business for its CMO and generic franchises.



VIVIMED'S API BUSINESS, UQUIFA HAS THE POTENTIAL TO GROW ITS REVENUES AHEAD OF INDUSTRY AS IT BENEFITS FROM THE POTENTIAL OF INCREASED MARKET SHARE FOR CURRENT GENERIC PRODUCTS AND CONTINUING RAMP UP OF EXISTING CMO ACCOUNTS ACROSS ITS FACILITIES IN SPAIN AND MEXICO. WE CONTINUE TO BUILD UPON OUR CORE STRENGTHS OF CHEMISTRY, TRACK RECORD OF COMPLIANCE AND SERVICE RELIABILITY.

- We have filed for new DMF/CEPs over the last 12 months and on course for filing for new products consistently, which will help support our generics business growth as they begin to get commercialised over the next 18-24 months.
- The Company's facility in Mexico also completed an inspection by the USFDA, amongst other regulators which will, in all likelihood, help attract more business for its CMO and generic franchises.
- The Company also expects its forward integration into regulated market formulations manufacturing to enhance capacity utilisation and revenue growth for the API segment as new ANDA's will be filed using in-house APIs.



Plans for
Plants

Finished formulations, regulated markets

Jeedimetla plant

Converting a low utilisation unit into a niche revenue generator



Company has also filed for products in the CIS region; one anti-cancer product received approval and is expected to be commercialised in 2015-16.

EVEN AS THE COMPANY'S JEEDIMETLA FACILITY OPERATED AT LOW UTILISATION LEVELS, THE TEAM IS REASONABLY ASSURED OF VOLUME GROWTH GOING AHEAD FOR SOME GOOD REASONS.

- The plant received the PIC/S GMP approval to supply finished formulations to the CIS region; this is one of the few plants in India approved by PIC/S for manufacturing liquid orals for marketing to the CIS region.
- The Company has about six products already registered in the region with eight more waiting to be filed for registration.
- The Company has also filed for products in the CIS region; one anti-cancer product received approval and is expected to be commercialised in 2015-16.

The prevailing geo-political issues in the region are expected to stabilise in the near-term, which should result in an improved business environment. Vivimed hopes to be among the first to capitalise on opportunities arising in the CIS region.

Plans for
Plants

Finished formulations, regulated markets

Alathur plant





The acquired ANDAs (Amlodipine, Zolpidem and Metronidazole) are expected to be commercialised in the current year (2015-16).

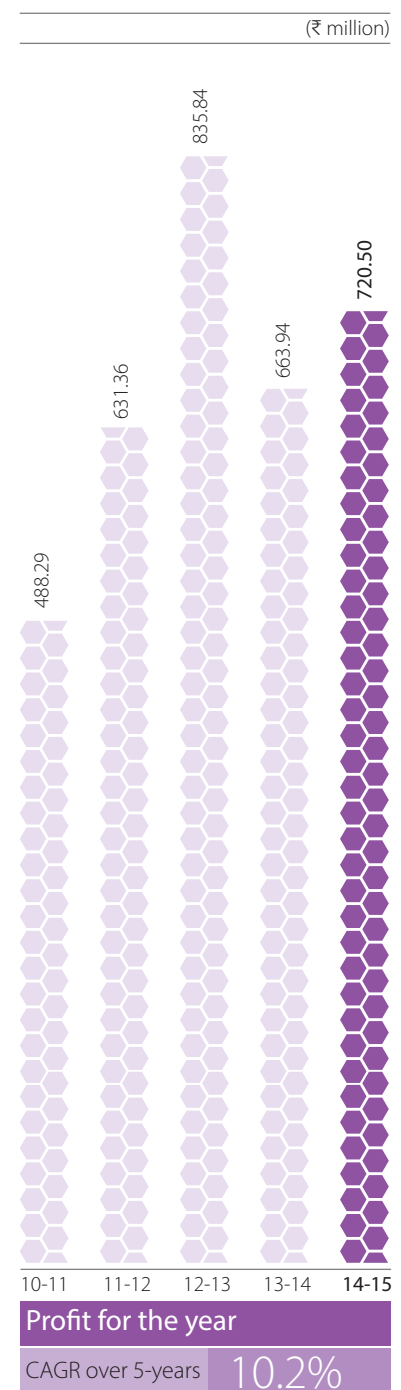
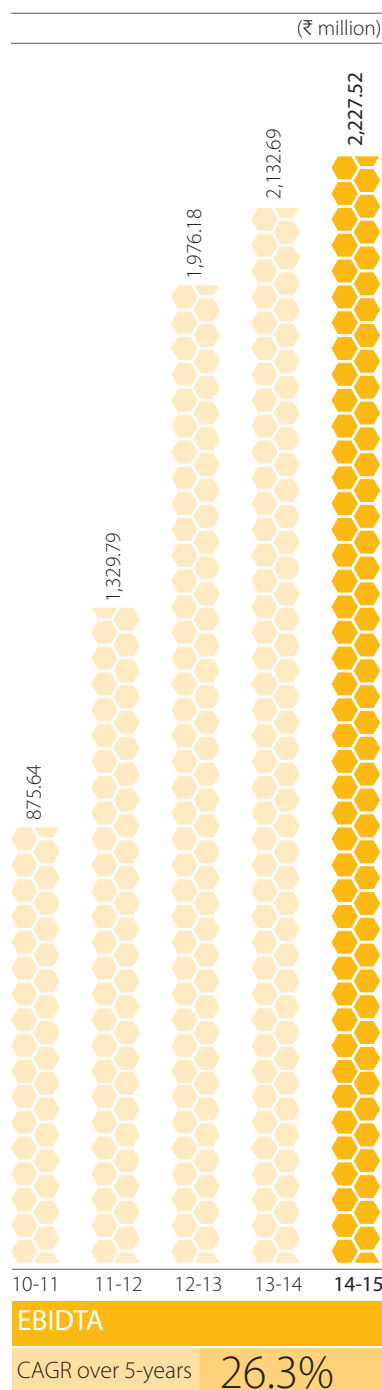
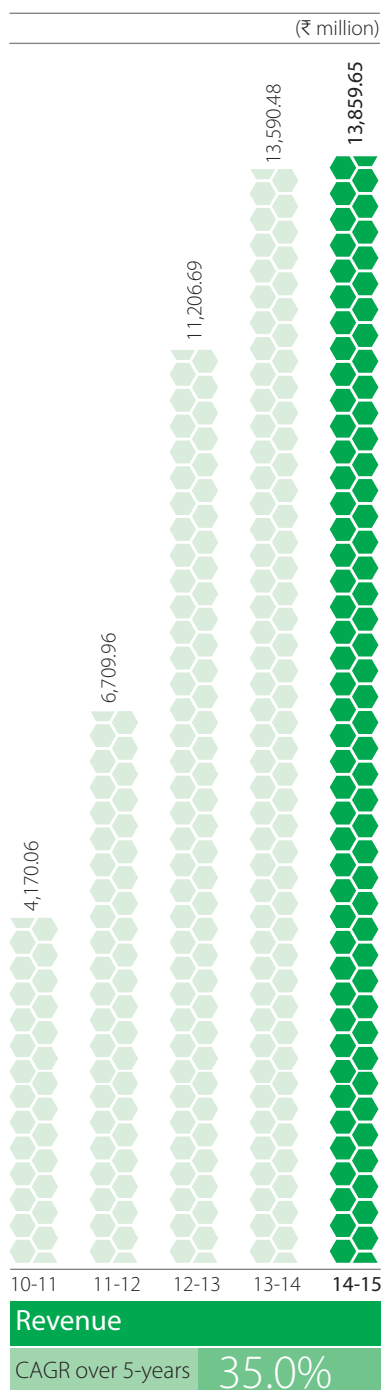


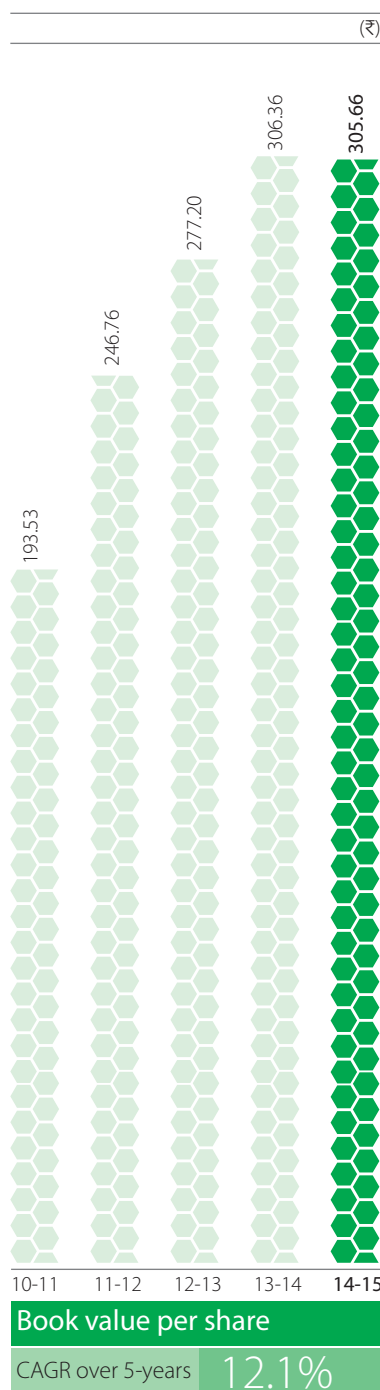
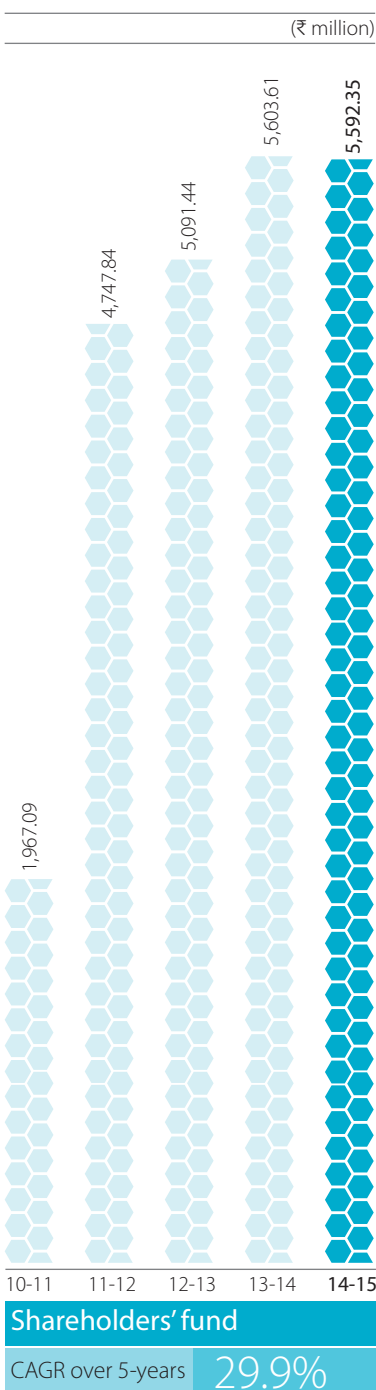
THE COMPANY MADE A FORAY INTO THE MANUFACTURE OF FINISHED FORMULATIONS FOR REGULATED MARKETS AND IS NOW FOCUSED ON FILING FOR NEW PRODUCTS EVEN AS IT RAMPS UP ITS CAPACITY UTILISATION BY GARNERING HIGHER MARKET SHARES FOR ITS ALREADY COMMERCIAL PRODUCTS.

- It commenced commercial sales to the US generic market with two ANDAs (Losartan and Donepezil) from this facility.
- The acquired ANDAs (Amlodipine, Zolpidem and Metronidazole) are expected to be commercialised in the current year (2015-16).
- Given its visibility on the business pipeline and to leverage on future opportunities that are expected to emerge from its new product list, the Company will complete a capacity expansion to increase its capacity to 2.2bn solid oral dosages (SOD).

As a result of higher capacity utilisation, new product approvals and better market shares in current products, the Alathur facility is expected to emerge as a key revenue and profit contributor over the medium-term.

An outcome of the Company's competent plan execution at the plants and marketplace.





2014-15 in retrospect

CONTINUING FOCUS ON COMPLIANCE AND CUSTOMER SATISFACTION EVIDENCED THROUGH ACHIEVEMENTS OF THE PREVIOUS YEAR; SATISFACTORY REGULATORY INSPECTIONS, CUSTOMER RAMP UPS AND NEW CUSTOMER ADDITIONS.

Will provide a fillip to its CMO and generic businesses, both in the API and finished formulations segment.

PRODUCT MIX RATIONALISATION, LAUNCH OF NEW PRODUCTS, CONTINUED CUSTOMER MINING HAS BEEN SUCCESSFUL.

Will grow the specialty chemicals to the next level of value-addition.

COMMENCED WORK ON OPTIMISING DEBT LEVELS AND BORROWING COSTS FOR THE STANDALONE ENTITY.

Expected to enhance profitability and return ratios.



10-minutes
with the CEO

“Our past investments in capacities and capabilities are expected to catalyse profitable business growth in the near future.”

Dear friends

DURING FY2015, OUR FINANCIAL PERFORMANCE WAS IMPACTED BY UNFAVOURABLE FOREX MOVEMENT AND CONTINUING INVESTMENT PHASE ACROSS BOTH THE BUSINESSES. REVENUES GREW BY A MODERATE 2.0%, EBIDTA BY 4.4% AND NET PROFIT BY 8.5%, THE LOWEST GROWTH REPORTED BY YOUR COMPANY IN THE LAST FIVE YEARS. ON THE OPERATIONAL SIDE, OUR PAST EFFORTS AND INVESTMENTS STARTED TO YIELD RESULTS. OUR CONTINUED FOCUS ON PRODUCT QUALITY AND REGULATORY COMPLIANCES POSITIONED US AS A PREFERRED SUPPLIER TO LARGE MULTINATIONAL PHARMACEUTICALS COMPANIES IN THE REGULATED MARKETS.

The Company embarked on a number of initiatives to strengthen performance, providing us the confidence and creating a sense of optimism around improved prospects. We have a strong pipeline of products in both the healthcare and specialty chemicals business. New product launches and investment in R&D remain focal areas for the management team with new product filings. Products, people, manufacturing plants and strong processes remain focal areas for the team.

The building blocks

I am pleased to report that a number of positive developments materialised across our revenue verticals (APIs, formulations and specialty chemicals), which augur favourably for our business.

- In the API space, our operations remain strong with the highest levels of quality and regulatory compliances, which strengthen the outlook for our Contract Manufacturing (CMO) and generic businesses. We are witnessing a robust demand for CMO activity, which we expect to capitalise on in 12-18 months.
- In the formulation space, we received the much-awaited PIC/S approval, which paves the way for our entry into the CIS markets. We started marketing two ANDAs,

in the US market, with good initial results. We continue to focus on developing a robust pipeline of new products which will help grow our regulated markets formulation business over the medium-term.

- We invested in Finoso, our formulation R&D arm, for expanding their formulation development capacity; we added stability capacity chambers and other equipment to multiply our capability to develop and file formulation for the regulated markets.

Addressing the debt challenge

While we continued to report healthy performance, our profitability was impacted in the recent past due to our significant leverage and associated higher borrowing costs.

This was the result of an anomaly in our assets and liabilities wherein we had debt in our standalone entity even as our corresponding assets were in our overseas subsidiaries. So, even as our subsidiaries generated returns, the standalone entity was required to service the debt pertaining to these acquisitions. Besides, the leveraged financial statements of the standalone business restricted our ability to mobilise funds for our growth.

We are focused on optimising our capital


structure which will help us distribute the leverage more effectively and also help us reduce our borrowing costs. This, even as the Company continues to focus on strong cash flow generation for paying down its debt commitments.

Message to shareholders

Over the last few years, we have steered Vivimed to a platform where its shareholders can benefit from the significant opportunities in both the pharmaceuticals and specialty chemicals business. With the focus now on integration and consolidation of the different building blocks of its pharmaceutical business, the results are expected to be meaningful over the medium-term. This, even as we continue to build a high margin and differentiated product basket in our specialty chemicals business.

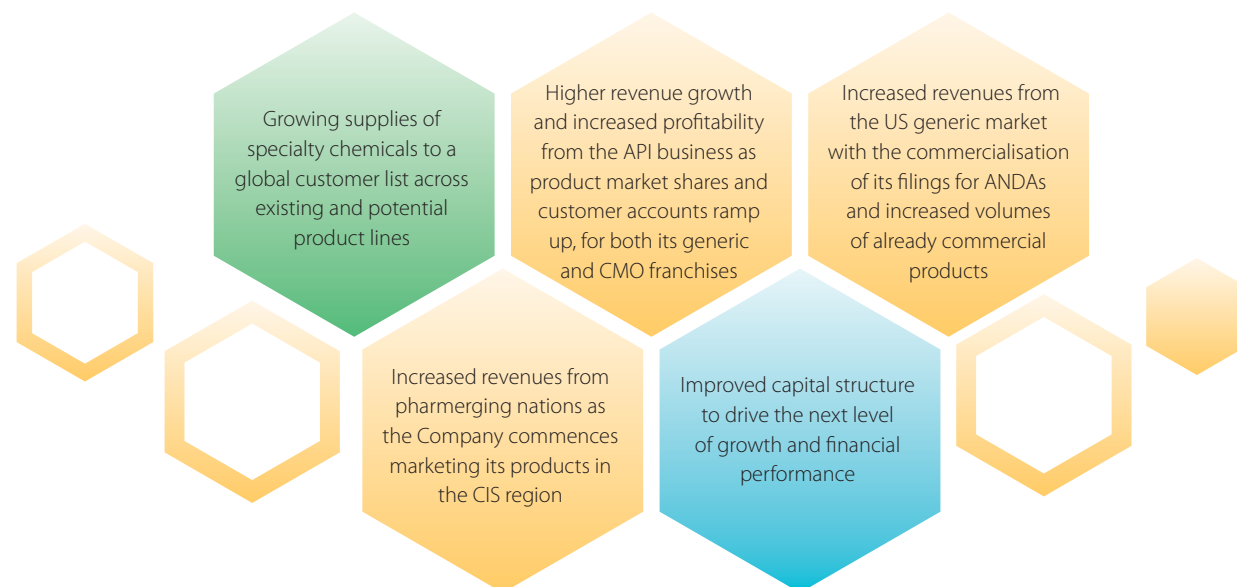
While I understand that the period of transformation has been extended, the future holds considerable promise.

Warm regards,



Santosh Varalwar
Managing Director and CEO

What can shareholders look forward to?



Management Discussion and Analysis



Global

Global growth in 2014 was a modest 3.4% compared with 3% in 2013, primarily due to the revival in advanced economies.

Advanced economies: While economic activity in the United States and the United Kingdom gathered momentum as labour markets improved and monetary policies remains increasingly accommodative, the recovery in the Eurozone and Japan was hampered as legacies of the financial crisis lingered, intertwined with structural bottlenecks.

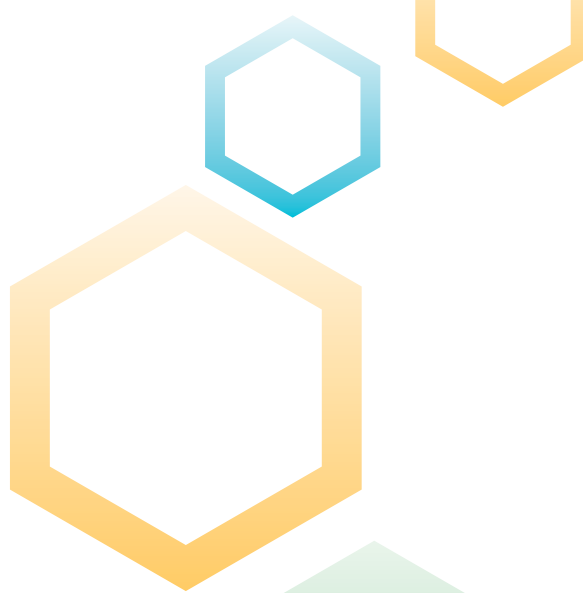
Headline inflation declined in advanced economies, reflecting a decline in oil prices, softer commodity prices and weaker demand in a number of countries already experiencing below target inflation (Euro area and Japan).

Developing economies: Developing

countries were once an engine of global growth but following the financial crisis, faced a difficult economic environment. As a result, growth in emerging and developing economies slowed. Despite the slowdown, emerging market and developing economies accounted for three-fourths of the global growth in 2014.

With regard to emerging markets, lower prices for oil and other commodities contributed to lower inflation through 2014, with the notable exception of countries suffering sizeable exchange rate depreciation like Russia.

Going ahead, global activity is expected to gain momentum – GDP growth is projected to touch 3.5% in 2015 and 3.8% in 2016. Growth is expected to be stronger in the advanced economies but remain weak in the emerging markets.



The Reserve Bank of India has projected India's GDP growth for 2015-16 at 7.6%; the International Monetary Fund forecast India's growth to touch 7.5% (2015 and 2016).

India

The full-year GDP growth for the fiscal ending March 2015 settled at 7.3%, up from 6.9% in 2013-14 (figures calculated as per the new series of national accounts with base year of 2011-12). This growth was due to improved performance of the services and manufacturing sectors. This progress indicates that the economic revival which commenced in 2013-14 gained further steam in 2014-15.

The average Wholesale Price Index (WPI) inflation stood at a low (2.3)% in year-on-year terms in March 2015, recording a decline for the fifth consecutive month, as fuel witnessed a sharp decline in prices. Average retail inflation, measured by Consumer Price Index (CPI), moderated to 6.5% in 2014-15 from 9.5%

in 2013-14. The country's current account deficit narrowed to 1.3% of GDP in 2014-15, primarily on account of a lower trade gap.

Factors like the steep decline in oil prices, funds inflow from across the globe, potential impact of the reform initiatives instituted by the Central Government as well as its commitment to calibrate fiscal management bode well for the overall macroeconomic situation. However, the real benefits at the ground level are yet to be seen.

Going ahead, the Reserve Bank of India has projected India's GDP growth for 2015-16 at 7.6%; the International Monetary Fund forecast India's growth to touch 7.5% (2015 and 2016).

Business overview

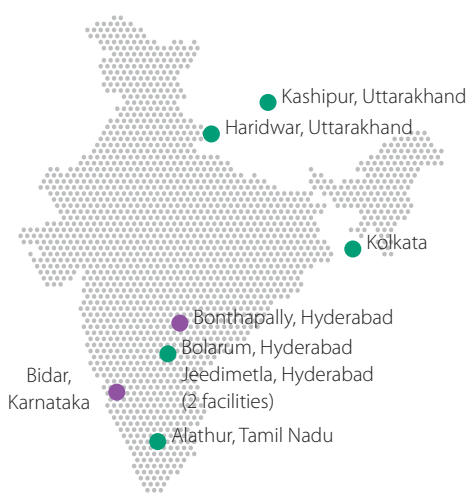


Vivimed's expertise lies in competent chemistry management. The Company has established a strong presence in two sectors - healthcare and specialty chemicals - which

enables it to utilise this knowledge.

The Company's manufacturing operations are housed in 12 plants across three continents.

A multinational global platform that provides Vivimed access to markets and significant cost advantage



Facilities	Mexico	Spain	UK	China	USA	India	Total
Healthcare – API ●	1	2					3
Healthcare – FDF ●						7	7
Specialty Chemicals – Active Ingredients ●						2	2
Total Facilities	1	2				9	12
R&D Facilities ●		1	1			3	5
Global Support Offices		1	1	1	1	1	5

The healthcare vertical is engaged in contractual manufacturing for APIs and contract manufacturing of formulations for leading generic companies; and the manufacture of branded formulations. The specialty chemicals segment makes active ingredients for a range of home, personal care and industrial products.

Business vertical

01 | Healthcare (API and finished formulations)

9,339

Revenue in 2014-15
(₹ million)

(0.3)%

Growth over the
previous year

67.7%

Contribution to the
consolidated topline
in 2014-15

4.1%

R&D expenses as
percentage of the
Company's topline
in 2014-15

2014-15 in retrospect

- Revenue remained relatively flat at ₹9,339 million in 2014-15
- EBIT was ₹665 million in 2014-15 as against ₹645 million in 2013-14
- Received PIC/S approval for the Jeedimetla facility in Hyderabad
- Continued focus on compliance, with fresh inspections for its Alathur formulation facility as well as Mexican API facility.
- Introduced brand extensions in the brand formulations segment
- Invested in capacity expansion, equipment addition and technology improvement initiatives
- Invested in R&D initiatives

Overview

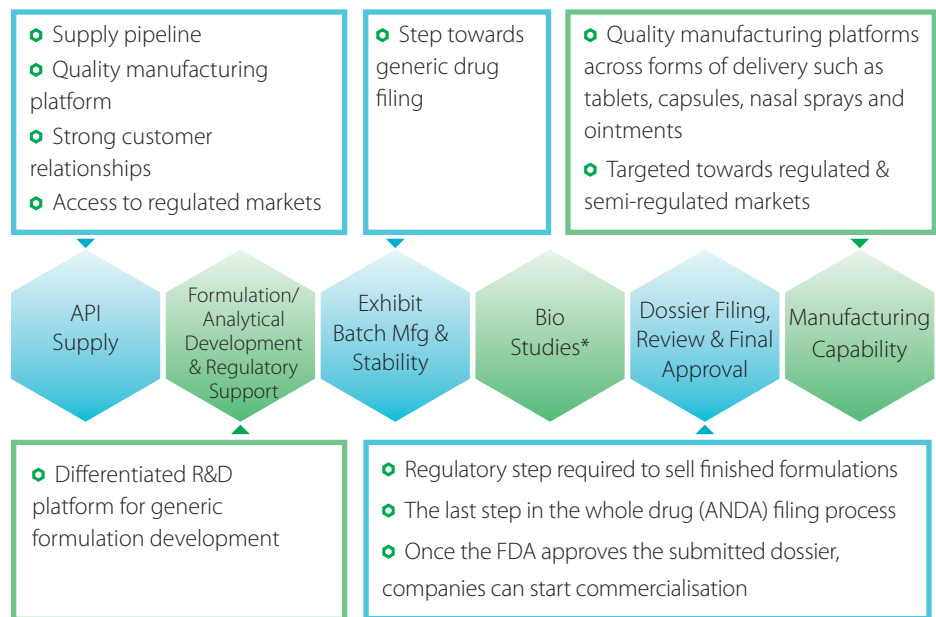
Vivimed is an integrated pharmaceutical player with a presence across the value chain. The Company manufactures APIs and formulations covering diverse therapeutic segments across the globe with a presence in the regulated and pharmerging markets.

The Company manufactures niche APIs and formulations (generic and branded) and partners leading global pharmaceutical companies for contract manufacturing assignments for APIs and generic formulations.

Evolution towards vertical integration

FY2011	FY2012	FY2013	FY2014
<p>Acquired Uquifa, which marked Vivimed's entry into APIs; added new customers, diversified product portfolio and three USFDA-approved manufacturing facilities</p> <p>Acquired KlarSehen and Octantis Nobel to establish footprint in the domestic FDF market as branded manufacturer</p>	<p>Strengthening the API business with backward integration and procurement synergies</p>	<p>Commissioned Bidar block for Pharma Intermediates</p> <p>Upgraded Jeedimeta facility to PICS standards</p> <p>Established API R&D with 65 scientists and formulations R&D with 45 scientists</p> <p>Health Canada approval for FR&D centre</p>	<p>Acquired APMPL, a US FDA-approved FDF facility, which opened doors for generics in regulated markets</p> <p>Recent PIC/S GMP approval; accessed regulated CIS market for formulations</p> <p>All building blocks in place to take the healthcare segment ahead</p>

Vivimed's facilities and processes are benchmarked with stringent global standards, ensuring consistently high product quality.



*Outsourced

Competitive advantage

Experience: The Company enjoys an experience of 27 years of working with marquee clients in the pharmaceuticals space.

Vertical-integration: Vivimed's vertically-integrated operations have enhanced cost-competitiveness, positioning the Company as a one-stop solution.

Approvals: Vivimed's facilities and processes are benchmarked with stringent global standards, ensuring consistently high product

quality.

R&D: Vivimed combines chemistry knowledge with research capabilities, enabling it to create a wide basket of products across diverse therapeutic segments.

Relationships: Vivimed enjoys strong relationships (contract manufacturing services) with large global pharmaceutical majors that provide long-term revenue visibility.



R&D strategy

Product selection

The Company capitalises on the manufacture of APIs in therapies where Vivimed enjoys a strong global formulation positioning - anthelmintics, anti-ulcer and anti-hypertensive.

The formulation market in these therapies, though not seen as 'growth and margin attractive' by conventional formulators, generates steady growth.

The market is characterised by low competitive intensity and high pricing power for established incumbents.

In-house capabilities

The Company focuses on in-house chemistry capabilities, which find application across treatment areas and enjoys limited competition due to complex chemistry and difficult-to-formulate/stabilise reactions.

Emerging molecules investment

The Company works strategically on molecule

families expected to challenge conventional treatment methods in therapy areas like anti-ulcer, anti-diabetes, ophthalmics and dermatology.

Therapeutic focus

The Company enjoys a strong captive API and attractive end market in anthelmintics, anti-ulcer, anti-diabetes, anti-HIV and anti-hypertensives. The Company has new ANDAs in ophthalmology and dermatology with proposed captive DMF filings.

Commercial filters

The Company enjoys attractive revenue scalability and sustainability prospects and expects that trends in volume/value growth and gross margin targets will be consistently met at different price points. Attractive demand-supply scenarios are addressed as per competitive matrix and regulatory expectations. By virtue of being integrated, the Company possesses an advantage in 'buy or make' decisions related to API manufacture.

API

This represents the largest contributor by revenue to the Company's pharmaceutical business.

The Company manufactures about 45 APIs for diverse therapeutic segments across three API facilities. Anti-ulcer forms the key therapeutic segment, comprising ~40% of the production, while other important therapeutic areas comprise anthelmintic, anti-depressant, anti-infective, anti-HIV and certain quaternary APIs.

Vivimed has established relationships with 100+ customers across 70 countries. The R&D team filed more than 50 Type-II DMFs with the USFDA and more than 150 DMFs worldwide.

The Company undertakes contract manufacturing projects for prominent global and domestic pharmaceutical companies. In addition to providing medium-term revenue visibility, these contract manufacturing projects enable the Company to enhance capacity utilisation and optimise costs.

2014-15, in retrospect

- Revenue of this vertical was impacted by unfavourable foreign exchange fluctuations; in constant currency terms, it recorded strong

performance

- Enhanced alliances with leading global customers both in its generic and CMO verticals that should catalyse business growth in the medium-term
- Successful completion of the US FDA inspection for the Mexico (API) facility
- Continued to file for new DMF/CEPs across therapy areas, invested towards new product development, continued levels of compliance and capacity augmentation

Outlook

- Focus on niche therapeutic areas – anti-ulcer, anti-HIV, ophthalmology and dermatology
- Strengthen product portfolio with increased filings
- Enhance product offerings to existing marquee customers
- Enhanced captive consumption of APIs
- Focus on CMO business with innovator companies
- Continued product churn and new product filings in the generics space



Formulations

The Company manufactures a wide range of dosage forms which find acceptance in regulated and pharmerging markets. Within the formulation space, the Company addresses four verticals – regulated markets, pharmerging markets, Indian markets and contract manufacturing assignments.

Contract manufacturing: The Company enjoys strong relationships with leading pharmaceutical majors, namely Novartis, Glenmark, Cipla and Lupin, most relationships extending over five years.

Delivery platform	End product
Capsules/tablets	Flexasur, Spasmosip Plus, Codarin, Butaproxivon, Valenzia, Arachitol and C Pink
Syrups and liquids	Codarex, Inalgel, Viscodyne, Brozedex, Celadrin, Candid lotion and Candid mouth paint
Sterile ophthalmics and nasal products	Otrivin, Nasivion Moist, Navision, Candbiotic ear drop, Otrivin nasal spray and Tobrop
Capacity: Tablets >2 billion; Capsule ~1 billion, Others ~100 kilolitres across delivery platforms	

Highlights 2014-15

- Successful completion of the US FDA inspection for the Alathur formulations facility
- Contracted attractive business from a leading US company
- Reported attractive increase in business volumes with existing clients
- Transferred CMO operations to other manufacturing facilities following PIC/S approval of the Jeedimetla unit

Branded formulations: This is an India-centric vertical where the Company markets branded products largely to medical institutions comprising ophthalmic, nutraceuticals and dermatological therapeutic segments.

The ophthalmic segment comprised 50+ trademark products, which included renowned brands like Renicol, Lysicon-V, Care Tears and Dexacort. These products are primarily marketed in Bihar, Andhra Pradesh and the North-Eastern states.

The nutraceuticals segment catered to the needs of women and children including enzymatic preparations, betalactams, antioxidants and multi-vitamins. The products

are marketed in Bihar, Andhra Pradesh, Jharkhand and the North-Eastern states.

Highlights, 2014-15

- Increased volumes with institutional business in government organisations
- Achieved significant brand expansion in pain management and antibiotic formulations
- Launched new products and brands in the pain management, anti-spasmodic and ophthalmology segment

Regulated markets: Vivimed initiated sales to the US for the first time, leveraging two ANDAs (Losartan and Donepezil). The Company has three approved ANDAs for which it is working on the technology transfer and expects to commercialise in the current year.

Pharmerging markets: The Company received the PIC/S approval for its Jeedimetla facility, which paves the way for marketing products in CIS nations. The Company has approved products in the CIS, which are to be commercialised in 2015-16. The Company has also filed about six dossiers from that facility in the CIS region.

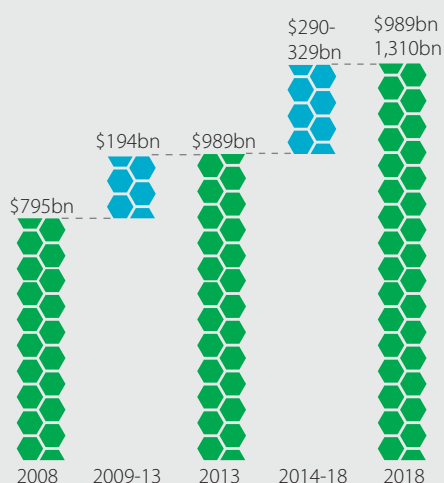
Sectoral optimism

Global pharmaceutical space: Global spending on medicines is estimated to reach nearly US\$1.3 trillion by 2018, representing an increase of about 7.1% (CAGR) over 2013. This growth would be higher than 5.2% over the past five years as the introduction of new specialty medicines and increased accessibility coincides with lower patent expiries in developed markets. Among the major markets, the United States remains the largest, representing over one-third of the global total, expected to grow at a compound

annual growth rate of 5-8% through 2018 (Source: IMS Health).

The US: Generics have played an important financial role in the American pharmaceuticals markets. The use of generic prescription drugs (instead of their branded counterparts) have saved the US healthcare system around US\$931 billion from 2001 to 2010; in 2013, nearly 86 per cent (four of five prescriptions in the US) were for generic drugs. Around 40 per cent of the generic drugs in the US were derived from India.

Global pharmaceutical sector growth and its drivers



Source: IMS Market Prognosis, September 2014

Population growth, an aging population and improved access in pharmerging markets.

Stronger global economy, fewer patent expiries in developed markets, new medicines and growth in pharmerging markets to contribute to a CAGR of 4-7% through 2018.

Global population aged 65 and alive will grow faster than any other age segment, accounting for almost 30% of population growth in five years.

The largest per capita spending increase from 2013 to 2018 to transpire in the US.

Indian pharmaceutical space: The Indian formulations market has grown at a CAGR of 14-15% over five years, driven by the following: rising household income levels leading to higher healthcare expenditure, increasing lifestyle-related diseases, improving healthcare infrastructure/delivery systems and rising penetration in smaller towns and rural areas. The majority of growth in the Indian market has been driven by volume expansion and new product introductions as against

prices increases.

Going ahead, the prospects for the domestic pharmaceutical sector appear promising.

- The Indian pharmaceutical sector is expected to report sales of US\$ 27 billion by 2016 (Source: Deloitte); sales stood at US\$ 22.6 billion in 2012 and US\$ 23.6 billion in 2013.
- The Indian pharmaceutical industry is likely to emerge in the top 10 global markets in value terms by 2020 (Source: PwC-CII).



Business
vertical

02 | Specialty chemicals

4,462

Revenue in 2014-15
(₹ million)

7.7%

Growth over the
previous year

32.3%

Contribution to the
consolidated topline
in 2014-15

8,049

Capital employed as on
March 31, 2015
(₹ million)

2014-15 in retrospect

- Product churn liberated manufacturing capacity; EBIT margins improved
- Added new customers; launched new products
- Achieved significant business for photocromatic products
- Made new distributor appointments in LATAM and AMET for business generation
- Commenced supplies of a high-value product to a global MNC
- Reported technology improvements

Overview

Specialty chemicals are a niche, high-value business of manufacturing active ingredients that are used in home care, personal care and industrial products.

Vivimed is an experienced player, developing active ingredients customised around the requirements of global clients. The Company's products (sun and skin care, personal care, naturals, industrial chemicals among others) are manufactured in Bidar and Bonthapally. The Company's focus on R&D is reflected in a dedicated team across India and the UK.

Specialty chemicals represent a niche with customised products addressing stringent global and customer-specific standards marked by time-consuming customer enlistment, making vendor switching infrequent.

Factors such as brand sensitivity, technical qualifications, pricing and timeliness acted as entry barriers for new suppliers. These hurdles notwithstanding, Vivimed established itself as a leading global player.

The Company's
product portfolio
caters to global brands

Competitive advantages

Innovation: The Company's R&D expertise across molecular research and collaborative development helped develop new products for global brands. The Company has consistently invested about 4-5% of revenues in R&D initiatives each year.

Quality certifications: The Company's manufacturing facilities, systems and processes are aligned to global best practices certified by globally reputed agencies.

Product basket: Vivimed's product basket addresses diverse applications that help

de-risk the business from an excessive dependence on any particular segment.

Global customers: Vivimed enjoys relationships with prominent consumer product brands (Procter & Gamble, ITC, Unilever, L'Oreal, Johnson & Johnson, among others) as customers for its active ingredients.

Preferred partner: Vivimed is recognised as a 'Strategic Partner' for Procter & Gamble, Unilever and L'Oreal, providing access to innovation platforms that help attract Tier II customers.

Sectoral optimism

Economic prosperity accelerated the consumption of personal care products (face creams, sunscreen products, moisturising lotions and other beauty products). A growing prosperity in India is expected to catalyse the personal care industry.

Global space: Rising lifestyle issues and consumer incomes accelerated the offtake of beauty and personal care products. The global market for personal care products is estimated to reach US\$265 billion in 2017, growing at a CAGR of 3.4% and driven by improving global demographics and prosperity.

Indian space: The key growth drivers of the Indian personal care industry comprise:

- **Young population base:** India remains one of the youngest countries globally with a

median age of around 25 years, compared to Japan at 46 years and the US at 36 years.

- **Population size:** India's population base is expected to grow from 1.2 billion to 1.5 billion by 2030; urban population is expected to grow from 340 million in 2008 to 590 million in 2030.

- **Population age group:** India's demographic trends indicate a growing number of people in the age bracket of 15-34 rising from 353 million in 2001 to 430 million by 2011. Estimates suggest that the population of youth in India will rise to 464 million by 2021.

- **Shifting consumer trends:** The consumption trend in India is shifting from the functional to the premium, strengthening the offtake of quality personal care products.

Business strategy

Customer focus

- Increasing share of business from large global players, helping widen their product basket across geographies and locations
- Leveraging extant relations with MNCs to scale products and offer solutions to Tier II customers
- Continuing collaborative manufacturing and research in alliance with global players
- Focusing on customer-driven needs through differentiated products

- Increasing customer base with regional brands in fast-growing emerging markets

- Adding new technology platforms (peptides, fermentation, enzymatic and marine biotechnology)

Expansion of geographic footprint

- Increasing presence in Latin America while continuing to grow in Asia and the Middle East
- Expanding in developed and regulated markets (North America and Europe) by widening the distributor network

Globally vindicated capacities and capabilities

- The Integrated Management System (IMS) certification and Social Accountability (SA 8000: 2008) certification
- ISO 9001:2008 QMS certification for the manufacturing facilities
- ISO 14001:2004 certification for Environmental Management System
- ISO 18001: 2007 certification for Safety Management System
- Certification for bio-terrorism preparedness from the US FDA (a prerequisite for exporting to certain countries)
- Pre-registered its products for REACH (Registration, Evaluation and Authorisation of Chemicals) in Europe
- R&D department certified as a GLP Laboratory by CISR, a Government of India undertaking

More than 30% of the division's topline was derived from the top 10 global brands.

Managing business uncertainties



RISK MANAGEMENT AT VIVIMED IS AN INTEGRAL PART OF THE BUSINESS MODEL, FOCUSING TO MITIGATE ADVERSE IMPACT OF RISKS ON THE BUSINESS OBJECTIVES. THE COMPANY LEVERAGES ITS 27-YEAR RICH EXPERIENCE TO ALLAY SHAREHOLDER APPREHENSION ABOUT ITS GROWTH PROSPECTS.

THE COMPANY'S INTEGRATED RISK MANAGEMENT APPROACH COMPRISING CENTRALLY ISSUED POLICIES, DIVISIONALLY EVOLVED PROCEDURES AND PERIODIC REVIEW MECHANISM BY THE SENIOR MANAGEMENT ENSURE THAT BUSINESS RISKS ARE EFFECTIVELY ADDRESSED.

01
BUSINESS GROWTH

How will the Company catalyse its growth momentum in the near term?

Mitigation: The Company has a clear growth strategy for both businesses. The healthcare business growth will be driven by the Company's growing presence in the US and in the CIS nations. For the specialty business, the Company has strategically

decided on marginalising growth in favour of profitability through product churn. The Company's new contracts for high-value products with globally-reputed clients in 2014-15 are expected to drive profitable growth over the coming years.

02
COMPETITION RISK

How will the Company sustain its long-term growth aspiration?

Mitigation: Vivimed has consistently invested in its R&D to create a product pipeline which is critical to long-term business growth in both businesses.

In the healthcare business, the Company has filed for ANDAs in the US and dossiers across other regulated and pharmerging markets upto March 31, 2015 which are at various stages of approval. In addition, the R&D team is working on

developing a strong product pipeline to be commercialised over the medium-term.

In the specialty chemicals segment, the Company is working on developing high-value products in its core areas, namely personal and home care segments. In addition, the Company is also deploying new technologies to enhance its manufacturing capabilities.



03

CAPACITY RISK

Does the Company have the operating capacity to manufacture new products to be commercialised over the medium-term?

Mitigation: Vivimed has proactively taken capex building initiatives, anticipating future demand.

In the healthcare segment, the Company is increasing the operating capacity at its Alathur facility, it is creating additional capacity at its Jeedimetla facility and undertaking capacity balancing initiatives

at its other facilities for increasing plant output.

In the specialty chemicals business, the Company's on-going product churn initiative has released capacity at both its operating units which the Company believes is sufficient to managing operating volumes over the medium-term.

04

CLIENT RISK

Client attrition could impact business growth?

Mitigation: Vivimed's customer retention philosophy is based on two important pillars – quality and innovation.

The Company's passion to delivering the best quality consistently to its clients is evident from the global certifications to its plants, systems and processes.

In the healthcare space, the Company added customers in existing geographies by better penetration and product addition.

In addition, the Company is also extending its footprint into new markets for growing its business.

In the specialty chemicals segment, the Company's key customers have been with the Company for more than five years and business with most of these customers have only increased. In addition, the Company is adding new customers by better penetration in existing markets and new product addition.

05

FUNDING RISK

How will the Company garner funds for growing business operations?

Mitigation: The Vivimed management is working on rebalancing its debt structure – transferring the debt from the standalone entity to the subsidiary companies (where the corresponding assets reside). In addition, it is working on converting its rupee-denominated debt into foreign-

currency based debt – reducing the debt servicing burden. Besides, the Company is focused on utilising a majority part of cash accruals from business for debt reduction – considering that it has implemented majority of its capital investments.



DIRECTOR'S REPORT

To
The Members,

Your Directors are pleased to present 27th Annual Report and the Company's audited financial statements for the financial year ended March 31, 2015.

Financial Results

The Company's financial performance, both standalone and consolidated, for the year ended March 31, 2015 is summarised below:

Particulars	(₹ in million)			
	Standalone		Consolidated	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Revenue from Operations	4,301.48	4,319.93	13,800.99	13,508.33
Other Income	14.34	15.50	58.66	82.15
Total Income	4,315.82	4,335.43	13,859.65	13,590.48
Total operating expenditure	3,244.31	3,323.28	11,632.13	11,457.79
Operating Profit (EBITDA)	1,071.51	1,012.15	2,227.52	2,132.69
Finance cost	623.35	443.44	790.37	602.91
Depreciation and Amortisation	205.60	180.64	661.78	661.16
Profit Before Tax	242.55	388.08	775.37	868.62
Current Tax	48.53	77.64	152.80	199.81
Deferred Tax	4.67	44.14	(97.93)	4.86
Profit After Tax	189.35	266.30	720.50	663.94
Basic EPS	11.69	16.43	44.47	40.97
Diluted EPS	11.69	16.43	44.47	40.97

Review of Operations

Consolidated Financials

During the period under review, the Company has earned revenue of ₹13,859.65 million.

The Company - has reported - sales of ₹13800.99 million in the FY 2014-15 compared to net sales of ₹13,508.33 million in FY 2013-14, registering growth of 2.17% in the current financial year. The Company's growth was driven by strong performance across all manufacturing facilities.

The EBITDA stood at ₹2227.52 million for FY 2014-15 compared to ₹2,132.69 million for FY 2013-14, registering a growth of 4.45%. The profit after tax for FY 2014-15 stood at ₹720.50 million compared to ₹663.94 million for FY 2013-14, registering a growth of 8.52% in the current financial year.

Standalone Financials

During the period under review, the Company has earned revenue of ₹4,315.82 million.

The Company - has reported - sales of ₹4,301.48 million in the FY 2014-15 compared to net sales of ₹4319.93 million in FY 2013-14.

The EBITDA stood at ₹1071.49 million for FY 2014-15 compared to ₹1012.17 million for FY 2013-14, registering a growth of 5.86 %.

Dividend

Due to proposed investment in expansions and developments in future and to conserve the available resources for the same, the board of directors of the Company have not recommend any dividend for the year 2014-15

Transfer to General Reserves

The Company proposes not to transfer funds to general reserves for the FY 2014-15. The total Reserves & Surplus (including Capital Reserve, Securities Premium Reserve, Central Subsidy, General Reserve and Surplus) as on March 31, 2015 is ₹3577.45 million as against the Paid up Capital of ₹162.04 million.

Share Capital

The Authorised Share Capital of the Company is ₹111,00,00,000/- (Rupees One Hundred Eleven Crores only) comprising 4,00,00,000 (Four Crores) Equity Shares of ₹10/- (Rupees Ten Only) each, and 71,00,00 (Seven Lakh Ten Thousand only) Preference Shares of the Company with a par value of ₹1,000/- (Rupees One Thousand only) each. The Paid Up Share Capital of the Company is ₹162037830 (rupees sixteen crores twenty lakhs thirty seven thousand eight hundred and thirty only) divided into 162,03,783 equity shares of ₹10/- each as on March 31, 2015.

Management's Discussion and Analysis Statement

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report

Subsidiaries, Joint Ventures and Associate Companies

Subsidiary Companies:

The Company has five Indian Subsidiaries – Creative Healthcare Private Limited, Klar Sehen Private Limited, Octantis Nobel Labs Private Limited, Finoso Pharma Private Limited and Vivimed Labs (Alathur) Private Limited.

Hong Kong based Vivimed Holdings Limited a 100% subsidiary of the Company is a 100% holding Company of Vivimed Labs Europe Limited, UK.

Vivimed Labs USA Inc. is a 100% subsidiary of Vivimed Labs Limited.

Mauritius based Vivimed Labs Mauritius Limited, a 100% subsidiary of Vivimed Labs Limited is the holding company of the 5 downstream subsidiaries as under:

1. Vivimed Labs UK Limited, UK
2. Vivimed Labs Spain S. L., Spain
3. Union Quimico Farmaceutica S.A.U, Spain
4. Holliday International Limited, UK
5. Uquifa Mexico S.A. de C.V., Mexico

In totality, as on March 31, 2015, the Company has 5 Indian and 9 foreign direct/step down wholly owned subsidiaries.

Subsidiary Companies:

• Creative Healthcare Private Limited (CHCPL)

Creative Health Care Pvt Ltd. is a company specialised in mfg pharmaceutical formulations under CMO catering to Pharma majors like Wockhardt, Cipla, Abbott, Lupin etc. The relationship with these companies ranges from 3 years to 10 years and the product range is ever increasing. The capacity utilisation is around 90%. CHCPL has recently acquired Some pharma brands from Noel Pharma and started marketing the products from sept., 14 onwards and showing good growth. CHCPL is dealing in Pharmaceutical business. The Share Capital of the Company as on March 31, 2015 is ₹25.00 million. During FY 2014-15, the Company achieved a turnover ₹861.10 million against the turnover of ₹704.77 million of FY 2013-14 and the profit after tax is ₹64.48 million against ₹39.00 million of FY 2013-14.

• Klar Sehen Private Limited (Klar Sehen)

Klar Sehen, a niche ophthalmic formulations Company in India has started its journey beyond India to reach a global market, starting with the US OTC (OPHTHALMOLOGY PRODUCTS) market, and has launched 4 products which are now stocked in the top 3 retail chains in USA.

Klar Sehen has an enviable track record of providing eye care products for over 3 decades. Our strict adherence to quality and service has helped in winning the trust of million of satisfied consumers.

The Company is dedicated towards providing eye care products in all the relevant segments - Tears Substitutes, Antibiotics, Antiviral, Mydriatics, NSAIDS, Anti allergens, Operative and so on. Klar Sehen's products like RENICOL, DEXACORT-N, IRIGAN, etc. are trusted by Ophthalmologists across India.

Klar Sehen is dealing in Pharmaceutical business, it is a wholly owned subsidiary of the Company. The Share Capital of the Company as on March 31, 2015 is ₹6.99 million. During FY 2014-15, the Company achieved a turnover of ₹313.68 million against the turnover of ₹269.88 million of FY 2013-14 and the profit after tax is ₹38.14 million against ₹21.80 million of FY 2013-14

• Finoso Pharma Pvt Ltd (FINOSO)

FINOSO, is a contract research organisation into FR&D, AR&D, quality assurance, regulatory affairs, project management and stability studies and other works related to filings for USA, Canada, Australia and other regulatory markets/countries.



Finoso specialises in the development of formulations in Solid oral dosage forms like tablets, capsules, and liquid orals like syrups and suspensions. Also does stability studies as per ICH guidelines for Canada which is approved by Health Canada, a regulatory body in Canada.

The team consisting of 35 technical core team of scientists, capable of delivering controlled release, modified release, sustained release formulations and ODT (oral dispersible technology) and MUPS (multi unit particulate system) in the form of pellets and other technologies.

The clientele includes Aurobindo, DRL, and companies from USA and Europe. The Share Capital of the Company as on March 31, 2015 is ₹30.15 million. During FY 2014-15, the Company achieved a turnover of ₹63.43 million against the turnover of ₹34.95 million of FY 2013-14 and the profit after tax is ₹0.23 million against ₹2.53 million of FY 2013-14

- **Vivimed Labs Alathur Pvt Ltd**

In August 2013, as part of its global business strategy to complete its presence across the entire health care value chain, Vivimed completed the acquisition of a US FDA inspected ₹1.2 billion SOD per annum manufacturing facility at Alathur near Chennai, Tamilnadu. This facility earlier belonged to the US pharma MNC Actavis (Watson) and has received US FDA approval 4 times in April 2007, April 2009, Oct 2011 and most recently in Feb 2015. The plant manufacturing capacity can be expanded to 5 billion SOD per annum. This eliminates 3 to 4 years of lead time to build a green field project of this quality and getting the regulatory approvals.

This strategic acquisition gives Vivimed immediate access to regulated markets such as US and European union. US is the largest generic market in the world. This also enables Vivimed to complete the health care value chain by providing forward integration synergies for Vivimed's existing API business.

With the acquisition of the Alathur facility and Finoso, Vivimed will now develop its own formulation dossiers, DMFs and ANDAs and start building a filing pipeline with the Alathur facility as the manufacturing site.

Vivimed Labs (Alathur) Pvt Ltd is dealing in Pharmaceutical business,. The Share Capital of the Company as on March 31, 2015 is ₹501.70 million. During FY 2014-15, the Company achieved a turnover of ₹281.30 million against the turnover of ₹329.06 million of FY 2013-14 and the profit after tax is ₹(55.29) million lakhs against ₹(117.08) million of FY 2013-14

- **Octtantis Nobel Labs Private Limited (ONPL)**

Octtantis Nobel Labs Pvt. Ltd., is incorporated in April 2011 with the vision of becoming the key player in Pharmaceutical Formulations Ethical marketing in Indian Pharmaceutical industry.

M/s. Vivimed labs Limited has acquired the stake in M/s. Octtantis Nobel Labs. Pvt. Ltd to make foray into Pharmaceutical

formulations marketing.

The Company has started its operations from September 2011 under the leader ship of the directors having good experience in manufacturing and Ethical marketing of Pharmaceutical Formulations.

The Company launched with 25 products consisting of Antibiotics, Antidiarrhoeals, Anti inflammatory, Analgesics, Dietary supplements and Nutraceuticals etc. Out of which few brands were acquired from M/s. Hezen Inc. – Hyderabad having a sale turnover of Rs. 7 Crores .

The Company started its marketing operations in Andhra Pradesh, Bihar, Jharkhand, Assam, Arunachal Pradesh, Manipur, Meghalaya, Tripura, Nagaland and Mizoram with a field strength of 130 members marketing team.

However, The Company transferred its business to its co-companies and is currently not undertaking marketing of ethical formulations to save on marketing costs to the group as a whole.

Under the leader ship of experienced Directors M/s. Octtantis Nobel Labs Pvt. Ltd has acquired the fully operational manufacturing facility located in Plot. No: 41 & 44 A&B in Anrich Industrial Estate, Bollaram, Jinnaram Mandal, Medak district AP. Having the manufacturing capacity of Tablets, Capsules, Liquid Orals and Powder etc. under cGMP norms.

Such plant has been leased out to Vivimed Labs Ltd., for leveraging the CMO experience of Vivimed labs Ltd., who entered into a manufacturing agreement with M/s. Wockhardt Limited for some of their products.

ONPL is dealing in Pharmaceutical business. The Share Capital of the Company as on March 31, 2015 is ₹23.00 million.

- **Vivimed Holdings Limited (VHL)**

The Company was incorporated in Hong Kong as an wholly owned subsidiary of Vivimed Labs Ltd. It is a holding company to Vivimed Labs Europe Limited. The Share Capital of the Company as on March 31, 2015 is ₹0.06 million.

- **Vivimed Labs Europe Limited**

The Company is a wholly owned subsidiary of VHL.. The Share Capital of the Company as on March 31, 2015 is ₹8.17 million. During FY 2014-15, the Company achieved a turnover of ₹1153.91 million against the turnover of ₹1397.29 million of FY 2013-14 and the profit after tax is ₹146.05 million against ₹120.20 million of FY 2013-14

- **Vivimed Labs USA INC. (VL USA)**

VL USA is dealing in Pharmaceutical business,.. During FY 2014-15, the Company achieved a turnover of 484.05 million against the turnover of ₹408.57 million of FY 2013-14 and the profit after tax is ₹6.92 million against ₹(5.01) million of FY 2013-14

- **Vivimed Labs Mauritius Limited (VML)**

VML was incorporated in Mauritius. It is a holding company to



Vivimed Labs UK Limited. The Share Capital of the Company as on March 31, 2015 comprises of ₹460.41 million in the form of Equity Share Capital and . Preference share capital of ₹639.45 million.

● **Vivimed Labs UK Limited (VL UK)**

VL UK was incorporated in UK as an wholly owned subsidiary of VML. It is a holding company to Vivimed Labs Spain S.L. The Share Capital of the Company as on March 31, 2015 is ₹639.45 million.

● **Vivimed Labs Spain S.L.(VL Spain)**

VL Spain was incorporated in Spain as an wholly owned subsidiary of VL UK . It is a holding company to Union Quimico Farmaceutica S.A.U

The Share Capital of the Company as on March 31, 2015 is ₹642.78 million.

● **Union Quimico Farmaceutica S.A.U (UQUIFA Spain)**

Uquifa Spain is a well-established manufacturer of pharma APIs and intermediates with global coverage operating cGMP sites out of Spain. Uquifa sells to more than 70 countries worldwide and has more than 150 active DMF’s filed and 20 COS approved. Uquifa counts amongst its customers the major Generic and Ethical companies operating in the Industry and continues to invest in personnel and facilities to maintain a arrow technology offering to both the Generic Industry and the Ethical Pharmaceutical Industry.

The Share Capital of the Company as on March 31, 2015 is ₹209.87 million. During FY 2014-15, the Company achieved a turnover of ₹5240.73 million against the turnover of ₹5106.08 million of FY 2013-14 and the profit after tax is ₹319.10 million against ₹205.61 million of FY 2013-14

● **Holiday International Limited (HIL)**

HIL was incorporated in UK as an wholly owned subsidiary of VL Spain . It is a holding company to Uquifa Mexico S.A. de C.V

The Share Capital of the Company as on March 31, 2015 is ₹0.00 million.

● **Uquifa Mexico S.A. de C.V. (Uquifa)**

The Share Capital of the Company as on March 31, 2015 is ₹133.79 million. During FY 2014-15, the Company achieved a turnover of ₹1806.97 million against the turnover of ₹2103.58 million of FY 2013-14 and the profit after tax is ₹75.96 million against ₹78.59 million of FY 2013-14

Associate Companies :

Yantra Green Power Pvt Ltd:

Yantra Green Power (P) Ltd.,is extremely focus driven in setting up a Captive Solar Power Plant in Telangana and wants to define the goals and objectives in achieving the Phase I requirements of the project under REC. This is a Grid interactive Power plant based on Solar Photovoltaic technology using Polycrystalline modules. The power purchase agreement has been signed with M/s Vivimed Labs Ltd for the supply of power. The synchronisation of the plant was

completed on 17/07/2015 and commercial date of operation will start on completion of Long Term Open Access Agreement (LTOA) between Yantra Green Power, Vivimed labs and TSCPDCL

The Policy for determining material subsidiaries as approved by the Board may be accessed on the Company’s website at the link: www.vivimedlabs.com

However, as per the provisions of section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies is prepared in Form AOC-1 and it forms part of the consolidated financial statements.

Consolidated Financial Statements

The consolidated financial statements, in terms of Section 129 of the Companies Act, 2013 and Clause 32 of the Listing Agreement and prepared in accordance with Accounting Standard 21 as specified in the Companies (Accounting Standards) Rules, 2006 forms a part of this annual report. As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its Subsidiaries on its website www.vivimedlabs.com and copy of separate audited accounts of its Subsidiaries will be provided to the members at their request

Director’s Responsibility Statement

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013 and based on the representations received from the operating management, the Directors hereby confirm that:

- a. in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a ‘going concern’ basis for the financial year ended March 31, 2015;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively



Corporate Governance Report

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The Composition of the Committee is provided below.

Name	Category
Prof. M. Bhagvant Rao	Independent, Non- Executive
Dr. V. Peesapati	Independent, Non- Executive
Dr. V. Manohar Rao	Non Independent, Executive
Mr. Santosh Varalwar	Non Independent, Executive

The CSR Policy may be accessed on the Company's website at the link: www.vivimedlabs.com

The Company would undertake CSR initiatives in compliance with Schedule VII to the Act. During the year, the Company has not spent on CSR activities. The Company is evaluating various proposals to ensure CSR funds are optimally utilised (Annexure I).

Nomination and Remuneration Committee

The Company's Nomination and Remuneration committee consists Independent Directors which ensures transparency in determining the remuneration of Directors, KMPs and other employees of the Company.

During the FY 2014-15, the composition of Nomination and Remuneration Committee is provided below.

Name	Category
Prof. M. Bhagvant Rao	Independent, Non-Executive
Mr. P.V. Ratnam	Independent, Non-Executive
Dr.V.Peesapati	Independent, Non-Executive
Mr. Nixon Patel	Independent, Non -Executive

The Performance Evaluation and Remuneration Policy framed by the Committee and approved by the Board is directed towards rewarding performance of Executive and Non- Executive Directors, Key Managerial Personnel and Senior Management Personnel of the Company based on review of achievements periodically.

Risk Management

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organisation faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. Your Company has proper process for Risk Management.

Internal Audit & Controls

Your Company continues to engage M/s Price Waterhouse Coopers Pvt. Ltd as its Internal Auditors. During the year, your Company continued to implement their suggestions and recommendations to improve the internal controls. Their scope of work includes review of operational deficiency, effectiveness of systems & processes, compliances and assessing the internal control strengths in all areas. Internal Auditors observations are discussed and suitable corrective actions are taken as per the directions of Audit Committee on an on-going basis to improve efficiency in operations.

The Company's internal control systems are well established and commensurate with the nature of its business and the size and complexity of its operations. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. The recommendations/suggestions of the internal auditors are discussed in the Audit Committee meetings periodically.

Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Srinivas Chidambaram (Non-Executive, Non-Independent Director), Mr Sandeep Varalwar (Non Independent, Executive Director) and Mr S Raghunandan (Non Independent, Executive Director) of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

Mr. Santosh Varalwar was re-appointed as Managing Director & CEO of the Company with effect from August 14, 2010 by the Shareholders at the 22nd Annual General Meeting of the Company held on September 18, 2010. The current term of Mr. Santosh Varalwar as Managing Director & CEO of the Company expires on August 13, 2015. Mr. Manohar Rao Varalwar, Mr. Subhash Varalwar, Mr. Sandeep Varalwar and Mr S. Raghunandan were re-appointed as whole time Directors of the Company with effect from August 14, 2010 by the Shareholders at the 22nd Annual General Meeting of the Company held on September 18, 2010. The current term of them as whole Time Directors of the Company expires on August 13, 2015. In view of their consistent efforts which have contributed to the growth of the organisation and the sincere service rendered to the better performance of the organisation during their tenure as Managing Director & CEO and whole time Directors, the Board

of Directors on the recommendation of the Nomination and Remuneration Committee, has decided to re-appoint Mr. Santosh Varalwar as Managing Director & CEO and Mr. Manohar Rao Varalwar, Mr. Subhash Varalwar, Mr. Sandeep Varalwar and Mr S. Raghunandan as whole time Directors of the Company for a further period of 5 (five) years effective from August 14, 2015 under Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made thereunder. The approval of the members is being sought to the terms, conditions and stipulations for the re-appointment of Mr. Santosh Varalwar as Managing Director & CEO and Mr. Manohar Rao Varalwar, Mr. Subhash Varalwar, Mr. Sandeep Varalwar and Mr S. Raghunandan as whole time Directors and the remuneration payable to them and resolution pertaining to the same is contained in the notice calling Annual General Meeting.

During the year under review, the members approved the appointments of Prof. V. Bhagvant Rao, Dr V Peesapati, Mr. Nixon Patel and Mr P V Rathnam as Independent Directors of the Company who are not liable to retire by rotation.

To broad base the Board and in compliance with Companies Act 2013 & Listing agreements with stock exchanges, the Board of Directors have appointed Mrs. Umanath Varhabotla as an Additional Director (Woman Director) on the Board. Resolution pertaining to the appointing Ms. Umanath Varhabotla as an Independent director is contained in the notice calling Annual General Meeting.

During the year under review, the Company appointed Mr N M Vaidyanathan as CFO of the Company and due to personnel reasons he resigned on 18/3/2015.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when CXOs are asked to make presentations about performance of the Company to the Board. Apart from this, they also have independent interactions with the Statutory Auditors, the Internal Auditors and external advisors appointed from time to time. Further, they meet without the presence of any management personnel and their meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

Employee Stock Option Plan (ESOP)

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Plan of the Company in accordance with the applicable SEBI Guidelines.

The applicable disclosures as stipulated under the SEBI Guidelines as on March 31, 2015 (cumulative position) with regard to the Employees' Stock Option Scheme (ESOS) are herein under provided.

Pursuant to clause 14 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, certificate from **M/s. P. Murali & Co, Statutory Auditors** is given as **Annexure II** to this report.

The details of the stock options granted / vested / exercised under the Vivimed Labs Employee Stock Option Plan 2010 approved by the members in 22nd AGM, are given below:

Sl. no.	Description	Details
(a)	Options granted till date under the scheme	500000
(b)	Pricing formula	More than 50% price calculated as per SEBI guidelines . on National Stock Exchange (where there was highest trading volume)
(c)	Options vested during the year	100000
(d)	Options exercised during the year	Nil
(e)	Total number of shares arising as a result of exercise of options	Nil
(f)	Options lapsed during the year	Nil
(g)	Options lapsed till date under the scheme	Nil
(h)	Variation in terms of options	Nil
(i)	Money realised by exercise of options during the year	Nil
(j)	Total number of options in force	500000



Sl. no.	Description	Details
(k)	Employee wise details of options granted to:	
	(i) Senior managerial personnel	
	Name	No. of options
	1. Suresh Mishra	25000
	2. Ramesh Challa	25000
	3. S. P. Jain	50000
	4. Paaritosh Kumar. V.	25000
	5. Vivekananda	25000
	6. Phanindernath	85000
	7. Dayasagar Vaidya	25000
	8. Kalyan	30000
	9. Ravi Kiran V.	50000
	10. D. Satish Chandra	25000
	11. Satish Chandra Mudgade	25000
	12. Ram Caesar	20000
	13. Talikunda Sreekant	20000
	14. Gotimukal Girish	20000
	15. Sheshi Reddy	10000
	16. Govardhan	10000
	17. A. Raghu Ramulu	10000
	18. A. S. Lahari	20000
	(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during the year.	Nil
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
(l)	Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 – Earning per share.	Not Applicable
(m)	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost that shall have been recognised if it had used the fair value of the options.	Not Applicable
(n)	Weighted-average exercise prices and weighted-average fair values of options, whose exercise price either equals or exceeds or is less than the market price of the stock	Not Applicable
(o)	Description of the method and significant assumptions used during the year to estimate the fair values of options.	Not Applicable

Auditors & their Report

Statutory Auditors

Pursuant to the provisions of Sections 139, 141 & 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules thereon, M/s. P.Murali & Co, Chartered Accountants, Hyderabad was re-appointed for 1 year in the last Annual General meeting. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the conditions as specified under Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014. The Directors recommend for re- appointment of M/s. P.Murali & Co., Chartered Accountants as Statutory Auditors for the FY 2015-16 & FY 2016-17 subject to ratification in next Annual General Meeting. A resolution proposing re-appointment of M/s. P.Murali & Co, Chartered Accountants as the Statutory Auditors of the Company for the FY 2015-16 & FY 2016-17 pursuant to section 139 of the Companies Act, 2013 forms part of the Notice.

Comments of the Auditors in their report and the notes forming part of the accounts are self-explanatory and need no comments. However, the Auditors have not made any adverse qualifications in their report on the accounts of the Company under review.

Cost auditors

In pursuance of Section 233B of the Companies Act, 1956 the Central Government has ordered Cost Audit for pharma sector Accordingly, M/s M/s. A.S. Rao & Co, Cost Accountants were appointed as Cost Auditors to render reports to the Central Government. resolution pertaining to the ratification of remuneration of cost auditors is contained in the notice calling Annual General Meeting.

Secretarial Auditor

The Board has appointed M/s. N V S S S Rao, Company Secretary in practice , to conduct Secretarial Audit for the FY 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as Annexure III to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, except with the wholly owned subsidiary, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed

on the Company's website at the link: www.vivimedlabs.com.

The particulars of contracts or arrangements with related parties referred to in section 188(1) are prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is enclosed as Annexure IV to this Report.

Disclosures

Audit Committee

The Audit Committee comprises majority Independent Directors namely Mr. P. V. Ratnam (Chairman), Prof. V. Bhagvant Rao and Mr. Srinivas Chidambaram as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

The Company has a Vigil mechanism and Whistle blower policy in terms of the Listing Agreement, under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Protected disclosures can be made by a whistle blower through a dedicated e-mail, or a letter to the Chairman of the Audit Committee.

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: www.vivimedlabs.com

Meetings of the Board

five meetings of the Board of Directors were held during the year under review. For further details, please refer report on Corporate Governance of this Annual Report.

Code of Conduct

A declaration regarding compliance with the code of conduct signed by the Company's Managing Director & CEO is published in the Corporate Governance Report which forms part of the annual report.

Particulars of loans given, investments made, guarantees given and securities provided are provided in the standalone financial statement (Please refer Notes to the standalone financial statement).

Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure V to this Report.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as Annexure VI to this Report.



Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee of the Company except executive directors and Key Managerial persons are drawing remuneration in excess of the limits set out in the said rules forms part of this Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are also forms part of this Report.

Your Directors further state that, the remuneration paid to the Key managerial Personnel and others is as per the Remuneration Policy of the Company.

Policy on Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of women at Workplace in accordance with The Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company has not received any complaints pertaining to Sexual Harassment.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.

4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future. (Except ₹10 lakhs imposed by SEBI vide its order dated 24.7.2014 for not intimating the Exact date of dividend (for FY 2012-13) payment to stock exchanges).

Cautionary statement

The management of Vivimed Labs has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and, therefore, may include amounts based on informed judgements and estimates. The management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Management has based these forward looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs may cause actual results to differ materially

Appreciation and Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on Behalf of Board of Directors

Date : August 14, 2015
Place : Hyderabad

Sd/-
Dr. V. Manohar Rao
Whole Time Director

Sd/-
Santosh Varalwar
Managing Director & CEO

ANNEXURE I TO THE DIRECTOR'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

for the FY 2014-15 as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

Sr. No.	Particulars	Remarks										
1	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and project or programs.	The CSR Policy may be accessed on the Company's website at the link: www.vivimedlabs.com										
2	The Composition of the CSR Committee.	<table border="1"> <thead> <tr> <th>Name</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>Prof. M. Bhagvant Rao</td> <td>Independent, Non- Executive</td> </tr> <tr> <td>Dr. V. Peesapati</td> <td>Independent, Non- Executive</td> </tr> <tr> <td>Dr. V. Manohar Rao</td> <td>Non Independent, Executive</td> </tr> <tr> <td>Mr. Santosh Varalwar</td> <td>Non Independent, Executive</td> </tr> </tbody> </table>	Name	Category	Prof. M. Bhagvant Rao	Independent, Non- Executive	Dr. V. Peesapati	Independent, Non- Executive	Dr. V. Manohar Rao	Non Independent, Executive	Mr. Santosh Varalwar	Non Independent, Executive
Name	Category											
Prof. M. Bhagvant Rao	Independent, Non- Executive											
Dr. V. Peesapati	Independent, Non- Executive											
Dr. V. Manohar Rao	Non Independent, Executive											
Mr. Santosh Varalwar	Non Independent, Executive											
3	Average net profit of the Company for last three financial years.	₹440.23 million										
4	Prescribed CSR Expenditure (two percent. of the amount mentioned in item 3 above).	₹8.8046 million										
	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during	Nil										

The Company would undertake CSR initiatives in compliance with Schedule VII to the Act. During the year, the Company has not spent on CSR activities. The Company is evaluating various proposals to ensure CSR funds are optimally utilised

Santosh Varalwar
 (Managing Director & CEO)

Manohar Rao Varalwar
 (Chairman)



ANNEXURE II TO THE DIRECTOR'S REPORT

AUDITORS' CERTIFICATE

To

The Members of

Vivimed Labs Limited

At 78/A, Kolhar Industrial Area, Bidar – 585403,
Karnataka State.

We have examined the compliance of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 by Vivimed Labs Ltd , for the year ended on March 31, 2015.

Our examination was limited to the implementation of the Vivimed Labs employees stock Option Plan 2010 by the Company for ensuring the compliance of the said guidelines.

In our opinion and to the best of the information and according to the explanations given to us, we certify that the said Plan has been implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in accordance with the resolution of the Company in the Annual General Meeting held on September 18, 2010.

for P. Mulari & Co.,

Chartered Accountants

Firm registration Number: 0072575

P. Murali Mohan Rao

Partner

Membership Number: 023412

Place: Hyderabad

Date :August 14, 2015



ANNEXURE III TO THE DIRECTOR'S REPORT

SECRETARIAL AUDIT REPORT For the financial year ended March 31, 2015

FORM NO MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Vivimed Labs Limited
78/A, Kolhar Industrial Area,
Bidar - 585403, Karnataka

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vivimed Labs Limited (hereinafter called 'the Company') for the audit period covering the financial year ended on March 31, 2015 (hereinafter called "audit period"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Company has, during the audit period generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with the Stock Exchanges.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We have also examined, on test check basis, the relevant documents and records maintained by the Company according to the following laws applicable specifically to the Company:

- (i) Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945;
- (ii) The Narcotic Drugs and Psychotropic Substances Act, 1985 and the Rules made thereunder;
- (iii) Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013.



Based on such examination and having regard to the compliance system prevailing in the Company; the Company has complied with the provisions of the above laws during the audit period.

During the period under review, provisions of the following regulations were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (v) Secretarial Standards issued by The Institute of Company Secretaries of India.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The provisions pertaining to sending of notices and agenda of the Board Meetings to the Directors as required under the Act have been complied with and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried out unanimously. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there was no specific event / action having a major bearing on the Company's affairs in pursuance to the laws, rules, regulations, guidelines, etc., referred to above.

N V S S S Rao

Company Secretary in practice

ACS No.5868 / CP NO.2886

Hyderabad, August 14, 2015

ANNEXURE IV TO THE DIRECTOR'S REPORT

Disclosure of Particulars of Contracts/Arrangements entered into by the Company

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. There are no contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arms length basis
2. Contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arms length basis:

Sl. No.	Name (s) of the related party & nature of relationship	Nature of contracts / arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any	Justification for entering into such contracts or arrangements or transactions'	
	Sales & Dossier						₹ in Mn	
1	Creative Health Care Private Limited, India	Sale of goods	FY 2014-15	Not exceeding ₹150 Mn per annum	12.11.2014	0.20	The transaction is at arm's length price	
2	Klar Sehen Private Limited, India	Sale of goods	FY 2014-15	Not exceeding ₹100 Mn per annum	12.11.2014	14.21	The transaction is at arm's length price	
3	Vivimed Labs Europe Limited, UK	Sale of goods	FY 2014-15	Not exceeding ₹1500 Mn per annum	12.11.2014	444.40	The transaction is at arm's length price	
4	Vivimed Lab USA Inc. USA	Sale of goods	FY 2014-15	Not exceeding ₹700 Mn per annum	12.11.2014	225.60	The transaction is at arm's length price	
5	Union Quimico Farmaceutica SAU, Spain	Sale of goods	FY 2014-15	Not exceeding ₹200 Mn per annum	12.11.2014	12.03	The transaction is at arm's length price	
6	Uquifa Mexico S A de C.V	Sale of goods	FY 2014-15	Not exceeding ₹100 Mn per annum	12.11.2014	7.99	The transaction is at arm's length price	
	Purchases from							
7	Creative Health Care Private Limited, India	Purchases of goods	FY 2014-15	Not exceeding ₹150 Mn per annum	12.11.2014	29.17	The transaction is at arm's length price	
8	Vivimed Labs Europe Limited, UK	Purchases of goods	FY 2014-15	Not exceeding ₹100 Mn per annum	12.11.2014	5.11	The transaction is at arm's length price	
9	Vivimed Lab USA Inc. USA	Purchases of goods	FY 2014-15	Not exceeding ₹50 Mn per annum	12.11.2014	1.14	The transaction is at arm's length price	
	Services, Interest & reimbursement availed							
10	Klar Sehen Private Limited, India	Services, Interest	FY 2014-15	Not exceeding ₹100 Mn per annum	12.11.2014	5.70	The transaction is at arm's length price	
11	Vivimed Labs Europe Limited, UK	Services, Interest	FY 2014-15	Not exceeding ₹100 Mn per annum	12.11.2014	18.17	The transaction is at arm's length price	
12	Vivimed Lab USA Inc. USA	Services, Interest	FY 2014-15	Not exceeding ₹50 Mn per annum	12.11.2014	6.05	The transaction is at arm's length price	
13	Kreative Hosts Atria Pvt. Ltd.	Services, Interest	FY 2014-15	As per the general rules applicable to hotel industry	12.11.2014	0.50	The transaction is at arm's length price	

On behalf of the Board

Hyderabad,
August 14, 2015

Sd/-
Santosh Varalwar
Managing Director & CEO

Sd/-
Manohar Rao V
Whole Time Director



ANNEXURE V TO THE DIRECTOR'S REPORT

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

Form A – Particulars of Conservation of Energy

A. Power and Fuel Consumption

Particulars	FY 2014-15	FY 2013-14
1. Electricity		
Unit (KWH)(in Mn)	11.55	11.93
Total amount (₹ in Mn)	77.79	87.81
Average rate/Unit (₹)	6.74	7.36
2. Own generation from Diesel generator set		
Unit (KWH)(in Mn)	1.33	1.39
Total amount (₹ in Mn)	23.65	23.62
Average rate/Unit (₹)	17.78	16.99
3. Coal		
Quantity (MT)	9,846	11,975
Total cost (₹ in Mn)	56.63	70.73
Average rate/MT (₹)	5752	5907

B. Consumption per unit of production

Particulars	Standards	Current year	Previous year
Products (with details) unit Electricity Furnace oil Coal	Since the Company manufactures a wide range of specialty chemicals, APIs and different combinations of finished dosages, it is not practicable to give consumption per unit of production.		

Form B – Particulars of Absorption

1. Technology absorption, adaptation and innovation

The Research and Development (R&D) discipline aims to work on products that strengthen the competitive position in the Market primarily on differentiated portfolio. Formulation R&D efforts at Vivimed are directed towards exploring the options of vertical integration. To meet customer demands, our teams focus on innovate techniques in product development. The Company is continuously striving to strengthen its R&D teams and infrastructure.

2. Benefits derived as a result of the above efforts

- Efficient processes.
- Robust Product development engine.
- Super value proposition to our customers and key stake holders.
- Competitive advantage in the specialty chemicals/ pharmaceutical space

3. Imported technology:

Research and Development (R&D)

The Vivimed R&D is focused on revitalising our growth engine

to balance short, mid and long-term goals. The Company is committed to offer superior and affordable solutions for products with intrinsic challenges at the chemistry, engineering and formulation technology areas.

Our R&D primarily caters to our in-house product development requirements for specialty chemicals, API, PFI and Finished Dosage products. Our development philosophy aims to collaborate and offer a business model of delivering end-to-end solutions across Over the Counter (OTC) monograph, OTC Abbreviated New Drug Application (ANDA) and prescription drugs.

The Company provides comprehensive drug development resources and solutions for pre-formulation, formulation development, analytical development, CGMP, scale-up, stability and also co-ordinate for conducting bioavailability and bioequivalence studies for regulated and emerging markets. The Company possesses capabilities to develop several IR and MR solid dosage products and filing dossier and ANDA for regulated markets including the U.S., Canada, Europe, Australia and other countries.

R&D currently focuses on developing and filing generic products for regulated markets and also on large volume OTC drugs and the products with intrinsic challenges. In addition, R&D is working to build a healthy products portfolio for enhanced and sustainable growth on extending our product reach line extensions for existing products and also adding value through applications such as extended release.

- **Benefits derived as a result of the above R & D**

Vivimed could achieve a long term sustainability to offer superior value to its customers which would enable the Company to achieve Global leadership position. The

Company has developed four sunscreen products during the year.

- **Future plan of action**

The Company intends to focus on different classes of projects, in line with our Business strategy; some, which can generate revenue in the short-term and some, more in the future. The pipeline is being designed to cater products of variable complexities in the areas of chemistry, IP, regulatory, engineering and manufacturing.

The Company will offer wider basket of Products to the regulated Markets including CIS countries, North America and Europe.

Expenditure incurred on Research and Development

(₹ Lakhs)		
Particulars	FY 2014-15	FY 2013-14
Capital		
Revenue	1106.02	1384.92
Total	1106.02	1384.92

Form C – Total Foreign Exchange Earned and used

(₹ Lakhs)		
Particulars	FY 2014-15	FY 2013-14
Foreign Exchange Earnings	207.00	131.63
Foreign Exchange Outgo	180.86	169.68

On behalf of the Board

Hyderabad, August 14, 2015	Sd/- Santosh Varalwar <i>Managing Director & CEO</i>	Sd/- Manohar Rao V <i>Whole Time Director</i>
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ANNEXURE VI TO THE DIRECTOR'S REPORT

Form No. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. Registration & Other Details:

1.	CIN	L02411KA1988PLC009465
2.	Registration Date	22/09/1988
3.	Name of the Company	Vivimed Labs Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Public Company
5.	Address of the Registered office & contact details	78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka
6.	Whether listed company	YES BSE Limited National Stock Exchange of India Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Aarathi Consultants Private Limited 1-2-285, Domalguda, Hyderabad – 500029 Phone : 040-27638111/27634445 Fax : 040-27632184 Email : info@aarthiconsultants.com

II. Principal Business Activities of the Company

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Pharmaceutical Products/speciality chemicals	21002	100%

III. Particulars of Holding, Subsidiary and Associate Company

SN	Name and Address of the Company	CIN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	Creative Healthcare (P) Ltd.	U24230MH2005PTC154622	Subsidiary	25,00,000 equity shares of ₹10 each, 100% held by Vivimed Labs Limited	2(87)(ii)
2	Klar Sehen Private Limited	U25209KA1977PTC078763	Subsidiary	a) 6,99,800 equity shares held by Vivimed Labs Limited b) ₹10 each c) 100%	2(87)(ii)
3	Finoso Pharma Pvt Ltd	U24231TG2009PTC064774	Subsidiary	a) 30,15,000 equity shares held by Vivimed Labs Limited b) ₹10 each c) 100%	2(87)(ii)
4	Vivimed Labs Alathur Pvt Ltd	U24219MH2006PTC165760	Subsidiary	a) 5,01,70,000 equity shares held by Vivimed Labs Limited b) ₹10 each c) 100%	2(87)(ii)

SN	Name and Address of the Company	CIN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
5	Octtantis Nobel Labs Private Limited	U24232KA2011PTC078720	Subsidiary	a) 23,00,000 equity shares held by Vivimed Labs Limited b) ₹10 each c) 100%	2(87)(ii)
6	Vivimed Holdings Limited	Not Applicable	Subsidiary	a) 10,000 equity shares held by Vivimed Labs Limited b) HK \$ 1 each c) 100%	2(87)(ii)
7	Vivimed Labs Europe Limited	Not Applicable	Subsidiary	a) 1,00,000 shares b) GB £ 1 each c) 100% held through Vivimed Holdings Limited)	2(87)(ii)
8	Vivimed Labs USA INC.	Not Applicable	Subsidiary	a) 1000 shares b) US \$ 0.01 each c) 100% held by Vivimed Labs Limited	2(87)(ii)
9	Vivimed Labs Mauritius Limited	Not Applicable	Subsidiary	a) 90,00,000 equity shares b) US \$ 1 each c) 100% held by Vivimed Labs Limited	2(87)(ii)
10	Vivimed Labs UK Limited	Not Applicable	Subsidiary	a) 78,32,821 shares b) £ 1 each c) 100% held through Vivimed Labs Mauritius Limited	2(87)(ii)
11	Vivimed Labs Spain S.L.	Not Applicable	Subsidiary	a) 91,92,738 shares b) E 1 each c) 100% held through Vivimed Labs UK Limited	2(87)(ii)
12	Union Quimico Farmaceutica S.A.U	Not Applicable	Subsidiary	a) 8,23,529 nominative shares b) E 3.726275 each c) 100% held through Vivimed Labs Spain S.L.	2(87)(ii)
13	Holliday International Limited	Not Applicable	Subsidiary	a) 101 ordinary shares b) £ 1 each c) 100% held through Vivimed Labs Spain, S.L.	2(87)(ii)
14	Uquifa Mexico S.A. de C.V.	Not Applicable	Subsidiary	a) 36,54,96,000 b) No nominal value c) 100% 36,54,95,999 fully paid shares held by Holliday International Limited and 1 fully paid share held by Vivimed Labs UK Limited	2(87)(ii)
Associates					
1	Yantra Green Power Pvt. Ltd	U40108TG2013PTC087049	Associate	25,00,000 shares of ₹10 each 35.66% held by Vivimed Labs Ltd	2(6)



IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3993738	-	3993738	24.65	3988738	-	3988738	24.62	(0.03)
b) Central Govt	0	-	0	0.00	0	-	0	0.00	0
c) State Govt(s)	0	-	0	0.00	0	-	0	0.00	0
d) Bodies Corp.	2183987	-	2183987	13.48	2155987	-	2155987	13.31	(0.17)
e) Banks / FI	0	-	0	0.00	0	-	0	0.00	0
f) Any other	0	-	0	0.00	0	-	0	0.00	0
Total shareholding of Promoter (A)	6177725	-	6177725	38.13	6144725	-	6144725	37.93	(0.20)
B. Public Shareholding									
1. Institutions	0	-	0	0.00	0	-	0	0.00	0
a) Mutual Funds	0	-	0	0.00	0	-	0	0.00	0
b) Banks / FI	350000	-	350000	2.16	5667	-	5667	0.03	(2.13)
c) Central Govt	19226	-	19226	0.12	19226	-	19226	0.12	0
d) State Govt(s)	0	-	0	0.00	0	-	0	0.00	0
e) Venture Capital Funds	0	-	0	0.00	0	-	0	0.00	0
f) Insurance Companies	0	-	0	0.00	0	-	0	0.00	0
g) FIs	248526	-	248526	1.53	286345	-	286345	1.77	0.24
h) Foreign Venture Capital Funds	0	-	0	0.00	0	-	0	0.00	0
i) Others (specify)	4207121	-	4207121	25.96	4207121	-	4207121	25.96	0
Sub-total (B)(1):-	4824873	-	4824873	29.78	4518359	-	4518359	27.88	(1.9)
2. Non-Institutions									
a) Bodies Corp.	1471150	-	1471150	9.08	1580222	-	1580222	9.75	0.67
i) Indian	0	-	0	0	0	-	0	0	0
ii) Overseas	0	-	0	0	0	-	0	0	0
b) Individuals	0	-	0	0	0	-	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1630013	59203	1689216	10.42	1348591	50203	1398794	8.63	(1.79)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	709203	292857	1002060	6.18	1265546	-	1265546	7.81	1.63
c) Others (specify)	0	-	0	0	0	-	0	0	0
Non Resident Indians	696840	-	696840	4.30	596472	-	596472	3.68	(0.62)
Overseas Corporate Bodies	0	-	0	0	98956	-	98956	0.61	0.61
Foreign Nationals	-	273968	273968	1.69	-	273968	273968	1.69	0
Clearing Members	67951	-	67951	0.42	326741	-	326741	2.02	1.6
Trusts	0	-	0	0	0	-	0	0	0
Foreign Bodies - D R	0	-	0	0	0	-	0	0	0
Sub-total (B)(2):-	4575157	626028	5201185	32.10	5216528	324171	5540699	34.19	2.09
Total Public Shareholding (B)=(B)(1)+ (B)(2)	9400030	626028	10026058	61.87	9734887	324171	10059058	62.08	0.20
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	15577755	626028	16203783	100	15879612	324171	16203783	100	0

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	BBR PROJECTS PRIVATE LIMITED	2042987	12.61	3.9	2014987	12.44	10.85	(0.17)
2	SANTOSH VARALWAR	1269810	7.84	6.5	1269810	7.84	6.33	0
3	VARALWAR SANDEEP	612193	3.78	0.0	612193	3.78	3.09	0
4	MANOHAR RAO VARALWAR	589071	3.64	2.2	589071	3.64	2.93	0
5	SUJATHA VARALWAR	499799	3.08	2.0	499799	3.08	3.08	0
6	VITHABAI VARALWAR	319669	1.97	0.8	319669	1.97	1.94	0
7	VARALWAR SUBHASH	320000	1.97	0.0	315000	1.94	1.54	(0.03)
8	BUTTERFLY AGRI PRODUCTS (P) LTD	141000	0.87	0.0	141000	0.87	0	0
9	SHEETAL VARALWAR	131900	0.81	0.0	131900	0.81	0	0
10	S RAGHUNANDAN	63500	0.39	0.0	63500	0.39	0	0
11	VIJAYKUMAR VARALWAR	50000	0.31	0.0	50000	0.31	0	0
12	MADHAVI VARALWAR	40000	0.25	0.0	40000	0.25	0	0
13	MAMATHA GURNUKAR	30000	0.19	0.0	30000	0.19	0	0
14	VARALWAR PADMA	26650	0.16	0.0	26650	0.16	0	0
15	NEELIMA VIJAYA VARALWAR	20000	0.12	0.0	20000	0.12	0	0
16	SATISH GOOTY AGRAHARAM	11127	0.07	0.0	11127	0.07	0	0
17	CHANDRASHEKHARRAO SUDIGALI	10019	0.06	0.0	10019	0.06	0	0
		6177725	38.13	15.3	6144725	37.92	29.76	(0.2)

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of Shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2014	61,77,725	38.13					
				15/04/2014	18,000	Sold	61,59,725	38.01
				14/11/2014	10,000	Sold	61,49,725	37.95
				28/11/2014	5,000	Sold	61,44,725	37.92
	At the end of the year 31.03.2015						61,44,725	



D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of Shares at the beginning (01.04.2014)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	NYLIM JACOB BALLAS INDIA FUND III, LLC	21,26,984	13.13	31-Mar-15	-	-	21,26,984	13.13
2	KITARA PIIN 1102	18,30,137	11.29	31-Mar-15	-	-	18,30,137	11.29
3	INDIABULLS INFRASTRUCTURE CREDIT LTD	5,01,089	3.09	09-May-14	1,59,088	Sold	3,42,001	2.11
				04-Jul-14	10,000	Bought	3,52,001	2.17
				14-Aug-14	10,000	Sold	3,42,001	2.11
				05-Sep-14	66,511	Bought	4,08,512	2.52
				19-Sep-14	2,501	Sold	4,06,011	2.50
				24-Oct-14	7,000	Sold	3,99,011	2.46
				31-Oct-14	5,576	Sold	3,93,435	2.42
				28-Nov-14	41,396	Sold	3,52,039	2.17
				12-Dec-14	80,000	Sold	2,72,039	1.67
				20-Mar-15	57,800	Sold	2,14,239	1.32
4	GENERAL INSURANCE CORPORATION OF INDIA	3,50,000	2.16	04-Jul-14	735	Sold	3,49,265	2.15
				01-Aug-14	554	Sold	3,48,711	2.15
				14-Aug-14	16,089	Sold	3,32,622	2.05
				22-Aug-14	3,977	Sold	3,28,645	2.02
				29-Aug-14	1,40,645	Sold	1,88,000	1.16
				05-Sep-14	1,00,000	Sold	88,000	0.54
				12-Sep-14	62,000	Sold	26,000	0.16
				28-Nov-14	12,709	Sold	13,291	0.08
5	WILLIAM F HARVEY	2,73,968	1.69	31-Mar-15	-	-	2,73,968	1.69
6	SAMEER MAHENDRA SAMPAT	2,71,833	1.68	31-Mar-15	-	-	2,71,833	1.68
7	TRANSARTICA COMPANY LIMITED	2,50,000	1.54	31-Mar-15	-	-	2,50,000	1.54
8	RAVISHA FINANCIAL SERVICES PRIVATE LIMITED	2,48,599	1.53	16-May-14	1,029	Sold	2,47,570	1.52
				05-Sep-14	2,37,570	Sold	10,000	0.06
				13-Feb-15	27,000	Bought	37,000	0.22
9	KOTAK MAHINDRA (INTERNATIONAL) LIMITED	1,66,000	1.02	04-Apr-14	29,953	Bought	1,95,953	1.20
				11-Apr-14	46,847	Bought	2,42,800	1.49
				18-Apr-14	1,060	Bought	2,43,860	1.50
10	PRASHANTHI ALAMURU	1,02,714	0.63		-	-	1,02,714	0.63

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the	No. of Shares	% of total Shares of the
	At the beginning of the Year				
	Directors				
1	SANTOSH VARALWAR	1269810	7.84	1269810	7.84
2	VARALWAR SANDEEP	612193	3.78	612193	3.78
3	MANOHAR RAO VARALWAR	589071	3.64	589071	3.64
4	VARALWAR SUBHASH	320000	1.97	315000	1.94
5	S RAGHUNANDAN	63500	0.39	63500	0.39

V) Indebtedness –

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ In Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	359.37	-	-	359.37
ii) Interest due but not paid	3.65	-	-	3.65
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	363.03	-	-	363.03
Change in Indebtedness during the financial year				
• Addition	58.17	-	-	58.17
• Reduction	29.28	-	-	29.28
Net Change	28.89	-	-	28.89
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	412.92	-	-	412.92
ii) Interest due but not paid	6.84	-	-	6.84
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	419.76			419.76

VI. Remuneration of Directors and Key Managerial Personnel-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD					Total Amount (₹)
		Dr. V. Manohar Rao	Subash Varalwar	Santosh Varalwar	Sandeep Varalwar	Raghuinandhan S	
1	Gross salary	60,00,004	60,00,004	60,00,004	60,00,004	50,00,004	2,90,00,020
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	60,00,004	60,00,004	60,00,004	60,00,004	50,00,004	2,90,00,020
	Ceiling as per the Act	63,32,000	63,32,000	63,32,000	63,32,000	63,32,000	3,16,60,000



B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		M. Bhagavanth Rao	P.V. Rathnam	V. Peesapati	Nixon Patel	
1	Independent Directors					
	Fee for attending board committee meetings	1,35,000	1,35,000	75,000	15,000	3,60,000
	Commission		8,00,415			8,00,415
	Others, please specify					
	Total (1)	1,35,000	9,35,415	75,000.00	15,000	11,60,415
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)	1,35,000	9,35,415	75,000	15,000	11,60,415
	Total Managerial Remuneration	1,35,000	9,35,415	75,000	15,000	11,60,415
	Overall Ceiling as per the Act					24,25,500

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS K Yugandhar	CFO N M Vaidyanathan	
1	Gross salary	NA	1771500	5304187*	7075687
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total	NA	1771500	5304187	7075687

* remuneration paid for the part of the year

VII. Penalties / Punishment/ Compounding of Offences: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in India, compliance with the requirements of Corporate Governance is set out below:

1. Company's Philosophy on Code of Governance

Vivimed Labs Limited ("VLL"/the "Company") is committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximise shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executive and independent directors on the Board.

2. Board of Directors

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As at March 31, 2015, the Board of Directors ("Board") comprises of Eleven Directors, of which Six are Non-Executive Directors.

The composition and category of the Board of Directors is as follows:

Sl. No.	Name of the Director	Designation	Category
1	Mr. Santosh Varalwar	Managing director & CEO	Executive Director (Promoter)
2	Mr. Subhash Varalwar	Whole-time director	Executive Director (Promoter)
3	Mr. Manohar Rao Varalwar	Whole-time director	Executive Director (Promoter)
4	Prof M Bhagvanth Rao	Director	Independent Director
5	Mr. Sandeep Varalwar	Whole-time director	Executive Director (Promoter)
6	Mr. Nixon Patel	Director	Independent Director
7	Mr. Srirambatla Raghunandan	Whole-time director	Executive Director (Promoter)
8	Mr. Peesapati Venkateswarulu	Director	Independent Director
9	Mr. Paaluri Venkatarathnam	Director	Independent Director
10	Mr. Srinivas Chidambaram	Director	Nominee Director (Non Executive-Non Independent)
11	Mrs. Umanath Varahabhotla	Director	Independent Director (Woman Director)

Mrs. Umanath Varahabhotla was appointed as an Additional Director (Independent Woman Director) on the Board of the Company with effect from March 21, 2015.



Other Directorships:

The number of directorships and memberships in the committees of Other Companies held by the Directors as on March 31, 2015 are as under:

Name of the Director	No. of Other Directorships*	In Other Companies**	
		Membership	Chairmanship
Mr. Santosh Varalwar	14	Nil	Nil
Mr. Subhash Varalwar	0	Nil	Nil
Mr. Manohar Rao Varalwar	6	Nil	Nil
Prof M Bhagvanth Rao	0	Nil	Nil
Mr. Sandeep Varalwar	10	Nil	Nil
Mr. Nixon Patel	6	Nil	Nil
Mr. Srirambatla Raghunandan	0	Nil	Nil
Mr. Peesapati Venkateswarulu	0	Nil	Nil
Mr. Paaluri Venkatarathnam	2	Nil	Nil
Mr. Srinivas Chidambaram	6	3	Nil
Mrs. Umanath Varahabhotla	1	Nil	Nil

Mrs. Umanath Varahabhotla was appointed as an Additional Director (Independent Woman Director) on the Board of the Company with effect from March 21, 2015.

* Includes directorships in the companies incorporated under the Companies Act, 1956.

** Includes only Audit and Shareholders Grievances Committee

None of the Directors hold Directorships in more than 15 Companies.

Board Meetings:

During the year ended March 31, 2015, five Board Meetings were held as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed four months.

The dates on which the Board meetings were held are May 29, 2014, August 5, 2014, August 13, 2014, November 12, 2014 and February 13, 2015.

Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Board meetings held during the year ended March 31, 2015 and at the last Annual General Meeting (AGM) are given below:

Name of the Director	Number of Board Meetings		Attendance at AGM Held September 30, 2014
	Held	Attended	
Mr. Santosh Varalwar	5	5	No
Mr. Subhash Varalwar	5	5	No
Mr. Manohar Rao Varalwar	5	4	Yes
Prof M Bhagvanth Rao	5	5	No
Mr. Sandeep Varalwar	5	4	No
Mr. Nixon Patel	5	2	No
Mr. Srirambatla Raghunandan	5	4	Yes
Mr. Peesapati Venkateswarulu	5	5	No
Mr. Paaluri Venkatarathnam	5	5	Yes
Mr. Srinivas Chidambaram	5	3	No
Mrs. Umanath Varahabhotla	-	-	No

Mrs. Umanath Varahabhotla was appointed as an Additional Director (Independent Woman Director) on the Board of the Company with effect from March 21, 2015.

Profile of Board of Directors

Brief resume of the Directors, nature of their expertise in specific functional areas and name of Companies in which they hold directorship and the membership of the committees of the Board are furnished hereunder:

- **Dr. V. Manohar Rao, Whole Time Director**

Dr. V. Manohar Rao aged 78 years, Retired as Joint Director of "The Veterinary Biological and Research Institute" (VBRI) has done his post-graduation in Veterinary Sciences from Edinburgh University, U.K. He has more than 31 years experience in The Municipal Corporation of Hyderabad and Department of Animal Husbandry, Government of Andhra Pradesh. During his tenure with Department of Animal Husbandry, he was involved in administration and production of various vaccines for livestock and poultry. He worked as a special officer for Meat and Poultry Department Corporation Andhra Pradesh Government Enterprises.

He conceptualised and started VVS Pharmaceuticals and Chemicals Pvt. Ltd. (VVS), (Now stands merged with Vivimed Labs Limited). He is mainly responsible for developing a Sophisticated and well-equipped in-house Quality Control and introduced various cost control systems in production process. His expertise, knowledge and vision helped VVS to transform from a Biological Processing Unit into a Pharmaceutical Manufacturing Unit for manufacturing of Liquid Orals, Tablets, Capsules, Ointments etc.

Currently, he is also on the board of Creative Health Care Private Limited, BBR Projects Private Limited, Kreative Hosts Atria Private Limited, Sanvita Biotechnologies private Ltd, Klar Sehen Private Limited and Vivimed Labs (Alathur) private Limited. He is the member of Stake holders Relationship, Grievance and Share Transfer Committee of Vivimed Labs Limited.

Dr. V. Manohar Rao holds 5,89,071 equity shares in the Company.

Dr. V. Manohar Rao, is the father of Mr.Santosh Varalwar and Mr. Sandeep Varalwar, and Brother of Mr.Subhash Varalwar. Other than the said Directors, he is not related to any other Director.

- **Mr. Santosh Varalwar – Managing Director and CEO**

Mr. Santosh Varalwar aged 53 years is a Management Graduate. He is the driving force behind the phenomenal growth of Vivimed Labs Limited. He worked in Shipping Corporation of India (SCI) and had an opportunity to understand in depth mercantile trade and had immense global exposure, which helped him subsequently to focus on international marketing.

He served Mercantile Marine for about seven years before embarking on a highly successful entrepreneurial journey. He has played an active role in VVS Pharmaceuticals from the year 1985 and later on expanded the business to manufacture of APIs by acquiring EMGI Pharmaceuticals and Chemicals Private Limited, Bidar, which was later converted into a public limited company

and named as Vivimed Labs Limited. Vivimed Labs Limited was listed on BSE/NSE in the year 2005 and the public issue was all time success having been oversubscribed 40 times. Since then, he steered the Company to various successful milestones and aptly merged VVS Pharmaceuticals in the year to consolidate and create a global entity. In the years 2008 and 2009 under his leadership, the Company successfully acquired two overseas companies namely James Robinson Europe Limited (now Vivimed Labs Europe Limited, UK) and Har – Met International Inc, US. In November, 2011, Mr Santosh Varalwar successfully led USD 55 million of the 75-year old prestigious Barcelona, Spain based API firm Uquifa. In the year 2013, acquired two Indian companies namely Vivimed Labs (Alathur) Pvt Ltd and Finoso Pharma Pvt Ltd.

Currently, he is also on the board of Creative Health Care Private Limited, BBR Projects Private Limited, Kreative Hosts Atria Private Limited, Atri Pharma Research India Private Limited, Sanvita Biotechnologies private Ltd, Yantra e solar India Private limited, Klar Sehen Pvt Ltd, Anand Eye Institute Private Ltd, B B R Green Fields private Ltd, Yantra Green Power private Ltd, Vivimed Labs(Fine chemicals) private Ltd and Vivimed Labs (Alathur) Private Ltd. He is the member of Stake holders Relationship, Grievance and Share Transfer Committee of Vivimed Labs Limited.

Mr. Santosh Varalwar holds 12,69,810 equity shares in the Company.

Mr. Santosh Varalwar, is the Son of Dr.Manohar Rao and Brother of Mr.Sandeep Varalwar and relative of Mr.Subhash Varalwar. Other than the said Directors, he is not related to any other Director.

- **Mr. Subhash Varalwar: Whole Time Director**

Mr. Subhash Varalwar, aged 67 years is a Post Graduate in Chemical Engineering and a Management Graduate from Leeds University, U.K. After his post graduation he joined The Fertiliser Corporation of India (FCI) in 1974 as Asst. Project Engineer (Chemical). He held various positions in FCI and worked on various areas like designing and commissioning of fertiliser plant, production etc. He resigned from FCI in 1989 to join Vivimed. Mr. Subhash brings along with him an exposure to various aspects of Industrial Management, including production, planning and commissioning, gained from 15 years of his career span with FCI. Mr. Subhash is responsible for Technology and New Product Development in the chemical segment of the Company. He also heads Production, Quality control and R&D function. He successfully led the technical integration teams of UK/India after acquisition of James Robinson Limited and has successfully implemented the stringent regulatory compliances across all its manufacturing operations globally,

Mr. Subhash Varalwar holds 3,15,000 equity shares in the Company.

Mr. Subhash Varalwar, is the Brother of Dr. Manohar Rao Varalwar and relative of Mr. Santosh Varalwar, Mr. Sandeep Varalwar. Other than the said Directors, he is not related to any other Director.



- **Mr. Sandeep Varalwar, Whole Time Director**

Mr. Sandeep Varalwar, aged 46 years has completed his Graduation in B.Pharmacy. After completion of graduation, he gained more than two decades of rich experience in manufacturing and marketing divisions of Pharma industry.

He is the main strength behind the growth of Pharma division of the Company and took an active role in VVS Pharmaceuticals and Chemicals Pvt Ltd. After the Company's merger with Vivimed Labs Limited, Mr. Sandeep is appointed as a whole time Director on the Board of Vivimed Labs Limited.

Currently, he is also on the board of Creative Health Care Private Limited, BBR Projects Private Limited, Demas Properties & Infrastructure (p)Ltd, Klar Sehen Private Limited, BBR Green Fields Private limited, Yantra Green Power Private Ltd, Vivimed Labs (Fine Chemicals) Private Limited, Vivimed Labs (Alathur) Private Limited and Finoso Pharma Private Limited.

Mr. Sandeep Varalwar holds 6,12,193 equity shares in the Company.

Mr. Sandeep Varalwar, is the Son of Dr. Manohar Rao and Brother of Mr. Santosh Varalwar and relative of Mr. Subhash Varalwar. Other than the said Directors, he is not related to any other Director.

- **Mr. S. Raghunandan**

Mr. S. Raghunandan aged 54 years is a Science Post Graduate, he began his career with Chandra Pharmaceuticals, at that time the largest producer of Ibuprofen in India and worked there handling various aspects of production. He joined Vivimed as Head of production at Bidar Plant and subsequently rose to the position of Director- Operations. His association with the Company is now of more than 21 years.

Mr. S. Raghunandan holds 63,500 equity shares in the Company & He has no other directorships and is not related to any other Director

- **Mr. P. V. Rathnam**

Mr. P. V. Rathnam aged 72 is a Fellow Member of the Institute of Chartered Accountants of India and also a Management Graduate, with post professional qualification experience, in various levels of Management in private and public sector undertakings in Chemicals, fertilisers, pharmaceuticals, automobile and electrical engineering industries, spanning over 46 years, ending with Chairman and Managing Director from 1990 to 2005 of a medium scale unit engaged in concept to commissioning of custom built electrical machines for on board installation in Indian Warships, Submarines and Combat Aircraft.

Currently, he is also on the board of D. S. Narayana & Company Private Limited and Aheri Tubes India Private Limited. He is the member of Stake holders Relationship, Grievance and Share Transfer Committee, Nomination and Remuneration Committee

and chairman of Audit Committee of Vivimed Labs Limited. He is not related to any other Director.

- **Prof. M. Bhagvanth Rao**

Dr. M. Bhagvanth Rao aged 71 is a PhD in chemical engineering from Indian Institute of Sciences, Bangalore and has done his post doctoral studies at Tokyo Institute of Technology, Japan. He has memberships to various professional associations including Fellowships in the Indian Institute of Chemical

Engineers and A.P. Academy of Sciences, Life Membership in the Indian Society for Technical Education etc.

He has over 32 years experience in research and teaching in the fields of chemical reaction engineering, catalysis, thermodynamics and biochemical engineering. He has been involved with Osmania University, Hyderabad in various position including the Dean of Development and UGC Affairs, Director of Regional Center for Urban and Environmental Studies and Director of Physical Education. He has various research publications to his credit some of which include articles in the Canadian Journal of Chemical Engineering, Industrial Engineering and Chemistry Fundamentals (USA), Journal of Polymer Sciences (USA) etc. He also acts as a research consultant to various laboratories like IICT, BHEL R&D NFC etc.

He has no other directorships. He is the member of Nomination and Remuneration Committee and Audit Committee of Vivimed Labs Limited. He is not related to any other Director.

- **Dr. Peesapati Venkateswarlu**

Dr. P. Venkateswarlu aged 72 has done B.Sc (Spl), M. Sc (Andhra University), PhD (Delhi University) C.Chem. FRCS (London). He has 37 years of experience in Research / teaching in various universities in USA, UK and India. Associated with leading International Experts in the field of Organic, Bio- organic, Medicinal and Polymer Chemistry.

He has no other directorships. He is the member of Nomination and Remuneration Committee of Vivimed Labs Limited. He is not related to any other Director.

- **Mr. Nixon Patel**

Mr. Nixon Patel Aged 54 is B.Tech (Hons.) from Indian Institute of Technology, Kharagpur and has done his MS in Computer Science from New Jersey Institute of Technology. Mr. Nixon Patel, is a successful entrepreneur with a proven track record for growing 5 businesses from startup to million of US\$ in annual sales, developed in a short span of 21 years. His businesses are spread across the globe in the fields of Information Technology, Telecom, Pharmaceutical and Renewable energy industries. He is a consummate professional with a high degree of personal integrity.

Mr. Nixon Patel has the following Membership and Industry Affiliations:

- Advisory Committee Member at World Wide Web Consortium (W3C)
- Advisory Committee Member at Voice Browser Working Group (VBWG)

Currently, he is also on the board of Yantra Software (private) Ltd, Bhasikaa Software Private Limited, Atri Pharma Research(India) Pvt. Ltd, Yantra esolarindia Private Limited, Takshila Institute of renewable Energy (P) Ltd and Yantra Green Power Private Limited. He is not related to any other Director.

He is the member of Nomination and Remuneration Committee of Vivimed Labs Limited .He is not related to any other Director.

• **Mr. Srinivas Chidambaram**

Mr. Srinivas Chidambaram aged 49 is a qualified Chartered Accountant, he is the Managing Director and CEO of Jacob Ballas Capital India Pvt. Ltd. (JBC), a leading India focused private equity firm based in New Delhi. JBC advises the investment managers of three India focused private equity funds with above \$600 million under management. Mr. Chidambaram joined JBC in 2005. He has 26 years of financial services and industry experience, including 17 years in private equity. He previously served with HSBC Private Equity (Asia) and its affiliates in Hong Kong and India, responsible for private equity investments in India and South East Asia. Mr. Chidambaram has also served in the IT industry with HCL Technologies, a leading Indian IT services company, responsible for financial institution relationships and strategic alliances in the USA. He commenced his career with SRF Finance Ltd. (since acquired by GE Capital) where he was responsible for Corporate Finance and Investment Banking, based in Mumbai.

Currently, he is also on the board of Religare Finvest Limited, SRL Limited, S.P Apparels Limited, Trianz Holdings Private Limited and Jacob Ballas Capital India Private Limited. He is the member of Audit Committee of Vivimed Labs Limited. He is not related to any other Director.

• **Mrs.Umanath Varahabhotla**

Mrs. Umanath Varahabhotla aged 53 is a Doctorate (Ph.D) in

Business Administration, She has 27+ years of experience in Healthcare, Hospital systems management, Corporate Social Responsibility. Creating organisational systems, processes and SoPs from Conceptualisation to Operationalisation for piloting and scaling-up of strategically important initiatives. Acknowledged to have built organisations and people. Served as Start-up incubator – LVP, EMRI, ELBIT, Health & CSR at Athena Energy . Vice-president at Tata Business Support Services, CEO AT Park Specialties Hospitals, Lead Partner – Alliances & Partnerships (Corporate Center) at EMRI, CEO at Elbit Medical Diagnostics Ltd, Administrator AT LV Prasad Eye Institute

Currently, she is also on the board of Baypark Hotel & Resorts Pvt Ltd. She is not related to any other Director

3. Board Committees

The Company currently has the following Committees of the Board:

- Audit Committee;
- Nomination and Remuneration Committee; and
- Stakeholders Relationship, Grievance and Share Transfer Committee.

a) Audit Committee Composition:

- The Audit Committee was constituted by the Board with Three Non –executive Directors (Two Independent Directors and One Non executive nominee Director-Non Independent Director) with Independent Director as its Chairman.
- The Head of Finance and Accounts, Statutory Auditors and Internal Auditors attend the Audit Committee meetings on invitation and the Company Secretary acts as the Secretary of the Committee.
- The minutes of the meetings of the Audit Committee are circulated to all the members of the Board.

Audit Committee meetings:

- Four Audit Committee Meetings were held during the year ended March 31, 2015. The maximum time gap between any of the two meetings was not more than four months.
- The Audit Committee meetings were held on May 29, 2014, August 13, 2014, November 12, 2014 and February 13, 2015.

Composition of the Audit Committee and the details of meetings held and attended by its members are given below:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. P.V Rathnam	Chairman	4	4
Mr. M. Bhagavanth Rao	Member	4	4
Mr. Srinivas Chidambaram	Member	4	4



Terms of Reference:

The terms of reference of the Audit Committee includes as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the Whistle Blower mechanism;
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
19. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
20. Review and monitor the auditor's independence and performance and effectiveness of audit process;
21. Examination of the financial statement and the auditors' report thereon;
22. Evaluation of internal financial controls and risk management systems;
23. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company; and
24. The Audit Committee shall have authority to investigate into any matter in relation to items referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
25. The auditors of a Company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.
26. Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee by the Board of Directors;

b) Nomination and Remuneration Committee Composition:

- The Nomination and Remuneration Committee was constituted by the Board with Four Independent Directors
- The Company Secretary acts as the Secretary of the Committee.
- The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

Brief description of terms of reference

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- carry on the evaluation of every director's performance;
- formulation of the criteria for determining qualifications,

positive attributes and independence of a director;

- recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of Independent Directors and the Board;
- devising a policy on Board diversity; and
- Administering of ESOPs & related matters
- any other matter as the Board may decide/refer from time to time.

Nomination and Remuneration Committee meetings

- During the period from April 1, 2014 to March 31, 2015, Nomination and Remuneration Committee Meetings were held on April 21, 2014, August 13, 2014, March 21, 2015

Composition of the Nomination and Remuneration Committee and the details of meetings held and attended by its members are given below:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. P.V. Rathnam	Member	3	3
Mr. M. Bhagavanth Rao	Member	3	3
Dr. V. Peesapati	Member	3	3
Mr. Nixon Patel	Member	-	-

Nomination and Remuneration policy

- The compensation of the executive directors comprises of fixed component and commission. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the executive directors is periodically reviewed and suitable revision is recommended to the Board by the committee.
- The Non-executive directors are paid sitting fees for attending meetings of Board/Committee.

Details of remuneration to all the Directors

Following are the details of sitting fees paid to the Directors for

attending Board and Committee Meetings for the year ended March 31, 2015:

Name of the Director	Amount ₹
Mr. P.V. Rathnam	135000
Dr. M. Bhagvanth Rao	135000
Dr. Peesapati Venkateswarlu	75000
Mr. Nixon Patel	15000

- Remuneration by commission to non executive director Mr P V Rathnam is ₹8,00,415/-

The Remuneration paid to the Whole-time Directors during the year is as follows:

S. No.	Name of the Director and Designation	Salary (₹)	Benefits	Bonuses	Pension	Commis-ssion	Service contracts	Notice period	Total (₹)
1	Mr. Santosh Varalwar, Managing Director & CEO	6000004	-	-	-	-	Appointed for a period of 5 years w.e.f. August 14, 2010	As per the Rules of the Company	6000004
2	Mr. Manohar Rao Varalwar, Whole time Director	6000004	-	-	-	-	Appointed for a period of 5 years w.e.f. August 14, 2010	As per the Rules of the Company	6000004
3	Mr. Subhash Varalwar, Whole time Director	6000004	-	-	-	-	Appointed for a period of 5 years w.e.f. August 14, 2010	As per the Rules of the Company	6000004



S. No.	Name of the Director and Designation	Salary (₹)	Benefits	Bonuses	Pension	Commission	Service contracts	Notice period	Total (₹)
4.	Mr.Sandeep Varalwar, Whole time Director	6000004					Appointed for a period of 5 years w.e.f. August 14, 2010	As per the Rules of the Company	6000004
5	Mr. S.Raghunandan, Whole time Director	5000004					Appointed for a period of 5 years w.e.f. August 14, 2010	As per the Rules of the Company	5000004

There were no severance fees, stock option plan or performance linked incentive for the Executive/ Non-Executive Directors. The appointment of Managing Director & whole time directors is made for a period of five years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meetings.

Non-Executive Directors do not have shares in the Company as on March 31, 2015.

c) Stake Holders Relationship, Grievance and Share Transfer Committee Composition

The Committee consists of the following Directors:

Name of the Director	Designation
Mr. P.V. Rathnam	Chairman
Mr. Santosh Varalwar	Member
Dr. V. Manohar Rao	Member

Terms of Reference

- Stake Holders Relationship, Grievance and Share Transfer

Committee oversees and reviews all matters connected with the securities transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual reports/ dividends, etc.

- The Committee oversees the performance of the Registrar and Transfer agents and recommends measures for overall improvement in the quality of investor services.

Name and designation of Compliance Officer:

Mr. Kopparthi Yugandhar, Company Secretary

Email-id for Investor Grievances:

Yugandhar.Kopparthi@vivimedlabs.com

Number of Shareholders complaints received so far.

- During the year ended March 31, 2015, the Company has received 1 and resolved 1 complaint and there were no pending complaints as at the year end.
- Number of complaints not resolved to the satisfaction of shareholders is Nil.

4. General Body Meetings

The details of date, location and time of the last three Annual General Meetings held are as under:

Financial year ended March , 31	Date	Time	Venue
2014	September 30, 2014	11.30 AM	78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka.
2013	September 30, 2013	11.30 AM	
2012	September 27, 2012	11.30 AM	

Special Resolutions passed during the previous three Annual General Meetings:

- 26th Annual General Meeting - September 30, 2014 - No special resolutions were passed.
- 25th Annual General Meeting - September 30, 2013 - No special resolutions were passed.
- 24th Annual General Meeting - September 27, 2012
 - To issue equity shares to the employees of the Company under the Employees Stock Option Scheme of the Company.
 - To issue equity shares to the employees of the subsidiaries of the Company under the Employees Stock Option Scheme of the Company.

- Special Resolution Passed at Extra Ordinary General Meeting of the Company during the year.

Two Special Resolutions were passed pursuant to EGM notice dated 05/08/2014 to seek approval of Members for the following:

- Allotment of Warrants with an option to apply for and be allotted equivalent number of equity shares on preferential basis to promoters
- Allotment of Warrants with an option to apply for and be allotted equivalent number of equity shares on preferential basis to non-promoters

- v) Special resolution passed During year through postal ballot. Seven Special Resolutions were passed pursuant to postal ballot notice dated 07/01/2015 to seek approval of Members for the following:
- Increasing the borrowing limits of the board of directors (Board) of Vivimed Labs Limited (Company) up to ₹1250 crores by Special Resolution.
 - Creating such charges, mortgages, pledge and hypothecations on the assets of the Company up ₹1250 crores by Special Resolution.
 - Entering into related party transactions under Section 188 of the Companies Act, 2013 by Special Resolution.
 - Investing/securing, providing guarantees up to ₹1250 crores under Section 186 of the Companies Act, 2013 by Special Resolution.
 - Alteration of clause 9 of the incidental and ancillary objects of the Memorandum of Association under Section 13 of the Companies Act, 2013 by Special Resolution.
 - Re-classification of authorised capital under Sections 13,14, 61 of the Companies Act, 2013 by Special Resolution.
 - Raising funds by issue of not in excess of 1,00,00,000 Equity Shares to QIBs etc. by Special Resolution.

The details of voting pattern for postal ballot are given below:

Resolutions	Promoter/ Public	No. of Equity shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3) = [(2)/(1)] *100	(4)	(5)	(6) = [(4)/(2)] *100	(7)= [(5)/(2)] *100
(a) Special Resolution for Increasing the borrowing limits of the board of directors (.Board.) of Vivimed Labs Limited (.Company.) up to ₹1250 crores.	Promoter/ Public	16203783	3364418	20.76	3363592	826	99.98	0.02
(b) Special Resolution for Creating such charges, mortgages, pledge and hypothecations on the assets of the Company up ₹1250 crores	Promoter/ Public	16203783	3364418	20.76	3364392	26	99.999	0.001
(c) Special Resolution for Entering into related party transactions under Section 188 of the Companies Act, 2013	Promoter/ Public	16203783	514644	9.31	514519	125	99.98	0.02
(d) Special Resolution for Investing/ securing, providing guarantees up to ₹1250 crores under Section 186 of the Companies Act, 2013.	Promoter/ Public	16203783	3363067	20.75	3362786	281	99.99	0.01
(e) Special Resolution for Alteration of clause 9 of the incidental and ancillary objects of the Memorandum of Association under Section 13 of the Companies Act, 2013	Promoter/ Public	16203783	3363067	20.75	3362267	800	99.98	0.02
(f) Special Resolution for Re-classification of authorised capital under Sections 13,14, 61 of the Companies Act, 2013.	Promoter/ Public	16203783	3363067	20.75	3363041	26	99.999	0.001
(g) Special Resolution for Raising funds by issue of not in excess of 1,00,00,000 Equity Shares to QIBs etc.	Promoter/ Public	16203783	3363367	20.76	3362541	826	99.98	0.02

The Board had appointed Mr. N.V.S.S. Rao, Practicing Company Secretary as Scrutiniser to conduct the Postal Ballot voting process in a fair and transparent manner.

The procedure for Postal Ballot is as per section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014.

The scrutiniser submitted a report to the Chairman stating that the resolutions have been duly passed by the members with requisite majority.



5. Disclosures

a) Related party transactions

During the year ended March 31, 2015, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes to the Annual Accounts.

b) Details of non-compliance etc.,

A Statement of Compliance with all Laws and Regulations as certified by the Managing Director & CEO is placed at periodic intervals for review by the Board.

There were no instances of non-compliance, penalty or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years (Except ₹10 lakhs imposed by SEBI vide its order dated 24.7.2014 for not intimating the Exact date of dividend (for FY 2012-13) payment to stock exchanges).

c) Disclosure of Accounting Treatment:

The Company has followed the accounting standards in the preparation of its financial statements.

d) Whistle Blower policy

The Board of Directors of the Company had adopted the Whistle Blower Policy and appointed an ombudsman. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct policy.

The Audit Committee reviews periodically the functioning of whistle blower mechanism.

No employee has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also hosted on the website of the Company: www.vivimedlabs.com.

The ombudsman / Vigilance Officer had not received any complaint during the Financial Year ended March 31, 2015.

e) Board Disclosures - Risk Management

The Company has constituted Risk Management Committee and Risk Management Policy which has been adopted by the Board of Directors. Currently, the Company's risk management approach comprises of the following:

- Governance of Risk
- Identification of Risk
- Assessment and control of Risk

The risks have been prioritised through a company-wide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company had appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

The details of Risks identified and mitigation measures undertaken are presented to the Board of Directors and the Audit Committee on a quarterly basis. The Board and the Audit Committee provides oversight and review the risk management policy periodically.

A detailed note on the risks is included in the Management Discussion and Analysis annexed to the Directors' Report.

f) Subsidiary Companies

The Company does not have material unlisted subsidiaries in India. The Audit Committee of the Company reviews the financial statements of the subsidiaries and the minutes of the Board meetings of these subsidiaries are also periodically placed at the Board meeting of the Company.

g) Code of Conduct

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and Senior Management Personnel of the Company. An affirmation of compliance with the code is received from them on an annual basis.

h) CEO Certification

The Managing Director has given a Certificate to the Board as contemplated in Clause 49 of the Listing Agreement and is separately annexed.

i) Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended March 31, 2015, there were no proceeds from public issues, rights issues, preferential issues, etc.

j) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement..

k) Details about familiarisation of programme.

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc. and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy

on material events as per Clause 36 of the Listing Agreement, Policy on material subsidiaries, Whistle blower policy, Risk Management Policy and Corporate Social Responsibility policy.

The Statutory Auditors and Internal Auditors of the Company have made a presentation to the Board of Directors with regard to provisions of Companies Act, 2013 and amended Clause 49 of the Listing Agreement and its impact on the Company. Further Statutory Auditors and Senior Management will make a presentation to the Board of Directors on regulatory changes while approving the Quarterly Financial Results.

Web link: [www.vivimedlabs.com /Investor Relations](http://www.vivimedlabs.com/Investor%20Relations)

l) Policy on Material Subsidiaries.

In terms of Clause 49 of the listing agreement, the Company does not have material subsidiaries in india

In terms of Clause 49 of the listing agreement, the Company does not have material subsidiaries in india

m) Related Party Transactions policy.

In terms of Clause 49 of the listing agreement, the Board of Directors of the Company have adopted a policy to determine

Related Party Transactions.

The policy is placed on the website of the Company www.vivimedlabs.com

6. Means of Communication

a) Quarterly results

The quarterly results of the Company are published in accordance with the requirements of the listing agreement, in widely circulated news papers namely Business Standard (English daily) and Samyukta Karnataka (Kannada daily).

b) News releases, presentations, etc.

Official news releases along with quarterly results are displayed on the Company's website: www.vivimedlabs.com

The Company presentations made to the investors/ analysts are placed on the Company's website: www.vivimedlabs.com

c) Management Discussion and Analysis (MDA) Report

The report on MDA is annexed to the Directors' Report and forms part of this Annual Report.

7. General Shareholder Information

a) Annual General Meeting	:	27th Annual General Meeting Date : September 30, 2015 Time : 11:30 a.m. Venue : 78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka.
b) Financial Calendar	:	April 1, 2015 to March 31, 2016. Tentative Schedule for considering Financials
For the Quarter ending June 30, 2015	:	Second Week of August, 2015
For the Quarter ending September 30, 2015	:	Second Week of November 2015
For the Quarter ending December 31, 2015	:	Second Week of February, 2016
For the Quarter/Year ending March 31, 2016	:	Last Week of May, 2016
c) Dates of Book Closures	:	September 26, 2015 to September 30, 2015 (both days inclusive)
d) Dividend Payment Date	:	- Not Applicable -
e) Listing on Stock Exchanges: Company's equity shares are listed at:		

Name and Address of the Stock Exchange	Scrip Code
BSE Limited, Phiroze JeeJeebhoy Towers, Dalal street, Mumbai-400 001.	532660
National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot # C/1, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	VIVIMEDLAB

The listing fees for the year 2014-15 has been paid to the above stock exchanges



f) Market Price Data: High and low during each month from April 1, 2014 to March 31, 2015.

BSE LIMITED (BSE)

Month	High (₹)	Low (₹)	No. of Shares traded
April, 2014	276.00	170.00	3,45,516
May, 2014	286.50	225.40	3,32,828
June, 2014	301.50	254.00	3,26,162
July, 2014	322.00	275.50	4,48,705
August, 2014	323.50	288.80	1,82,340
September, 2014	424.40	310.50	12,69,320
October, 2014	420.50	371.00	1,50,038
November, 2014	400.00	360.00	1,07,933
December, 2014	435.40	311.00	2,32,431
January, 2015	385.00	337.00	2,05,599
February, 2015	363.70	322.00	5,89,549
March, 2015	407.00	326.40	11,38,637

NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

Month	High (₹)	Low (₹)	No. of Shares traded
April, 2014	276.00	170.00	8,96,426
May, 2014	285.45	224.00	8,81,667
June, 2014	291.50	253.40	5,85,582
July, 2014	321.80	272.30	9,70,725
August, 2014	324.40	289.10	3,99,196
September, 2014	424.65	310.10	25,81,420
October, 2014	419.85	368.90	3,28,562
November, 2014	400.00	321.15	2,87,018
December, 2014	368.40	307.90	2,97,608
January, 2015	386.70	366.00	3,62,703
February, 2015	363.70	320.95	10,17,973
March, 2015	408.65	326.10	22,04,731

g) **Registrar & Share Transfer Agents:**

(for Shares held in both Physical and Demat mode)

Aarthi Consultants Private Limited

1-2-285, Domalguda

Hyderabad – 500029

Phone : 040-27638111/27634445

Fax : 040-27632184

Email : info@aarthiconsultants.com

maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

Any transferee who wishes to dematerialise the shares may approach a Depository participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Share transfer Agents (RTA). On receipt, the Depository, Registrar confirms the request.

h) **Share transfer System and Dematerialisation of Shares:**

SEBI vide its Circular No. CIR/MIRSD/8 /2012, dated July 5, 2012 has reduced the time-line for registering the transfer of shares to 15 days, the Physical share transfers are processed and the share certificates are returned to the shareholders within a

All requests for Dematerialisation of shares are processed and the confirmation is given to the respective Depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 21 days of receipt.

i) Distribution of Share holding

Share holding pattern as on March 31, 2015:

Sl.No.	Category	No. of shares held	Percentage of shareholding
1.	Promoters/Directors/ Associates	6144725	37.92
2.	Mutual Funds and UTI	0	0
3.	Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/ Non-Government Institutions)	24893	0.15
4.	FIs	286345	1.77
5.	Private Corporate Bodies	1580222	9.75
6.	Indian Public	2614137	16.44
7.	NRIs/OCBs	695428	4.29
8.	Others(including foreign companies)	4858033	29.68
	TOTAL	16203783	100

Distribution of Share holding as on March 31, 2015

Shares or Debenture Holding of nominal value of	Share/Debenture Holder		Shares	Share/Debenture Holder	
	Number	% to Total No's		In ₹	% to Total Amount
1 - 5000	6313	90.68	599042	5990420	3.7
5001 - 10000	271	3.89	217772	2177720	1.34
10001 - 20000	132	1.90	199844	1998440	1.23
20001 - 30000	55	0.79	140223	1402230	0.87
30001 - 40000	25	0.36	90855	908550	0.56
40001 - 50000	31	0.45	146320	1463200	0.9
50001 - 100000	39	0.56	275084	2750840	1.7
100001 & Above	96	1.38	14534643	145346430	89.7
TOTAL	6962	100.00	16203783	162037830	100

j) Dematerialisation of Shares & Liquidity

The Company's shares are available for dematerialisation with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

15879612 equity shares were dematerialised representing 98% of the total paid up equity share capital of the Company as on March 31, 2015.

ISIN: INE526G01013

k) Plant Locations:
Specialty Chemicals Division

- 78/A, Kolhar Industrial Area, Bidar – 585403, State - Karnataka
- Survey No. 202, 207/A, 207/E & 207/AA, Bonthapally Village, Narsapur Mandal, Medak District – 502313, State – Andhra Pradesh

Pharma Division

- D 125 & 128, Phase III, Jeedimetla Industrial Estate, Hyderabad – 500055, State – Andhra Pradesh
- Plot No. 25, Kundeshwari Village, Kashipur, Udham Singh Nagar – 244713, State – Uttaranchal
- D-9, Industrial Area, Haridwar – 249401, State – Uttaranchal

l) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.

The Company has not issued any GDRs/ADRs and there are no outstanding warrants or any Convertible instruments.

m) Address for Correspondence:

Company Secretary
 Vivimed Labs Limited
 (CIN: L02411KA1988PLC009465)
 Corporate Off: 2nd Floor, Veeranag Towers,
 Habsiguda, Hyderabad – 500007
 Tel: 91-40-27176005/27176006
 Fax: 91-40-27172242
 E-mail: Yugandhar.Kopparthi@vivimedlabs.com (for investor grievance)
 Website: www.vivimedlabs.com

On behalf of the Board of Directors
 for Vivimed Labs Limited

Hyderabad, August 14, 2015	Sd/- Santosh Varalwar Managing Director & CEO	Sd/- Manohar Rao V Whole Time Director
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DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2015.

for Vivimed Labs Limited

Place: Hyderabad
Date :August 14, 2015

Santosh Varalwar
Managing Director and CEO
DIN:00054763

CEO CERTIFICATE

We hereby certify that :

- a) we have reviewed financial statements and the cash flow statement for the Financial Year ended March 31, 2015 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

for Vivimed Labs Limited

Place: Hyderabad
Date :August 14, 2015

Santosh Varalwar
Managing Director and CEO



AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members of Vivimed Labs Limited

We have examined the compliance of conditions of Corporate Governance by Vivimed Labs Limited ('the Company') for the year ended March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for P. Mulari & Co.,
Chartered Accountants
Firm registration Number: 0072575

P. Murali Mohan Rao
Partner
Membership Number: 023412

Place: Hyderabad
Date :August 14, 2015



FINANCIAL STATEMENTS

Independent Auditor's Report

To
The Members of
Vivimed Labs Ltd

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of Vivimed Labs Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements:

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, its profit and its cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P. Murali & CO.,
Chartered Accountants
Firm Registration No: 0072575

P. Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad
Date: 30/05/2015

Annexure referred to in paragraph 1 of Our Report of even date to the members of Vivimed Labs Ltd on the accounts of the Company for the year ended 31st March, 2015 Under “Report on other Legal & Regulatory Requirements”

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.
- ii. (a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- vi. We have broadly verified the books of accounts and records maintained by the Company relating to the manufacture of pharmaceuticals, pursuant to the order made by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act, 2013.
- vii. (a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is not regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Service Tax, as applicable, with the appropriate authorities in India ;
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has disputed Income Tax outstanding dues an amount of ₹13,96,28,040/- which belongs to various Assessment years and disputed Sales Tax amounting to ₹1,03,42,355/- for the Assessment year 2013-2014 which have not been deposited on account of disputes.
- (c) There are no amounts that are due to be transferred to the Investors Education and protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
- viii. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution/banks. The Company has not issued any debentures.
- x. In our opinion, and according to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loan taken by others from bank or financial institutions are not prejudicial to the interest of the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis for the purposes for which they were obtained.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For P. Murali & CO.,
Chartered Accountants
Firm Registration No: 0072575

P. Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad
Date: 30/05/2015



Balance Sheet as at 31st March, 2015

₹ in Millions

Particulars	Note No	As at 31-03-2015	As at 31-03-2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1		
(i) Equity Share Capital		162.04	162.04
(ii) Preference Share Capital			
(b) Reserves and Surplus	2	3,577.45	3,562.20
(c) Money Received against Share Warrants		-	23.72
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	3,078.07	2,912.77
(b) Deferred Tax Liabilities (Net)	4	315.48	310.81
(c) Other Long Term Liabilities	5	1,298.96	978.14
(d) Long Term Provisions	6	30.10	23.53
(3) Current Liabilities			
(a) Short-Term Borrowings	7	2,861.36	2,763.39
(b) Trade Payables	8	435.93	392.56
(c) Other Current Liabilities	9	1,016.63	750.82
(d) Short-Term Provisions	10	251.54	154.24
Total		13,027.57	12,034.22
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	11	3,646.61	3,841.22
(ii) Intangible Assets	11	118.92	132.13
(iii) Capital Work-In-Progress	11	632.72	155.14
(b) Non-Current Investments	12	2,300.46	2,275.46
(c) Other Non-Current Assets	13	-	-
(d) Long-Term Loans & Advances	14		
(2) Current Assets			
(a) Inventories	13	2,224.99	1,701.32
(b) Trade Receivables	14	2,280.75	1,837.92
(c) Cash and Bank Balances	15	139.94	132.59
(d) Short-Term Loans and Advances	16	1,623.87	1,899.14
(e) Other Current Assets	17	59.31	59.31
Total		13,027.57	12,034.22

Summary of Significant Accounting Policies and the accompanying Notes are an integral part of financial statements

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd

P. Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

30.05.2015

For Vivimed Labs Limited

Sd

Santosh Varalwar

CEO & Managing Director

Sd

Manohar Rao Varalwar

Whole time director

Yugandhar Kopparchy

Company Secretary

Profit and Loss Statement for the year ended 31st March, 2015

₹ in Millions

Particulars	Note No	For the year ended 31-03-2015	For the year ended 31-03-2014
Revenue:			
Revenue from Operations	18	4,301.48	4,319.93
Other Income	19	14.34	15.50
Total		4,315.82	4,335.43
Expenses:			
Cost of Materials Consumed	20	2,511.03	2,360.57
Changes in Inventories	21	(531.95)	(14.10)
Employee Benefit Expenses	22	278.83	198.33
Other Operating Expenses	23	512.52	557.15
Administrative Expenses	24	473.87	221.34
Financial Costs	25	623.35	443.44
Depreciation and Amortisation Expenses	11	205.60	180.64
Total		4,073.27	3,947.35
Profit Before Tax		242.55	388.08
Tax Expense:			
(a) Current tax		48.53	77.64
(b) Deferred tax		4.67	44.14
(c) MAT Credit			
Profit After Tax		189.35	266.30
Earning Per Equity Share:			
(1) Basic		11.69	16.43
(2) Diluted		11.69	16.43

Summary of Significant Accounting Policies and the accompanying Notes are an integral part of financial statements

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd

P. Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

30.05.2015

For Vivimed Labs Limited

Sd

Santosh Varalwar

CEO & Managing Director

Yugandhar Koppa

Company Secretary

Sd

Manohar Rao Varalwar

Whole time director



Standalone Cash Flow Statement as at 31st March, 2015

₹ in Millions

Particulars	31.03.2015	31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary items	242.55	388.07
Add : Adjustment for		
- Depreciation	192.39	165.36
- Amortisation Expenses	13.21	15.27
- Financing Charges	313.02	205.62
- Prior Period Adjustments & Depreciation transfer to RE	(14.99)	-
Operating Profit before Working Capital Changes	746.18	774.33
Foreign Currency Translation Adjustments		
Working Capital changes		
Add / (Less) : (Increase) / Decrease in		
- Trade Receivables	(442.83)	(219.56)
- Inventories	(523.67)	(297.73)
- Loans, Advances & Deposits	275.27	(991.48)
- Other Current Assets	-	
- Trade Payables	43.38	59.68
- Other Current Liabilities	265.80	220.66
- Short term Provisions	48.77	(38.62)
- Direct Taxes Paid	-	44.14
NET CASH FLOWS FROM OPERATING ACTIVITIES	412.90	(448.59)
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Proceeds from Fixed Assets	2.21	(102.64)
- Proceeds from Intangible Assets	-	(0.59)
- (Increase) / Decrease in Capital Work in Progress	(477.58)	(63.01)
- (Increase) / Decrease in Investments	(25.00)	(1,319.41)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(500.37)	(1,485.64)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
- Long Term Borrowings	165.30	1,073.32
- Short Term Borrowings	97.97	507.12
- Other Long Term Liabilities	320.82	534.31
- Share Premium & Others	23.72	
- Preference Share Capital & Pending allotment Money	(23.72)	48.57
- Share Capital	-	1.43
- Long Term Provisions	6.58	3.80
- Interest paid	(313.02)	(205.62)
- Dividend Paid	-	(56.50)
- Foreign Exchange Fluctuation	(182.83)	23.71
NET CASH FLOWS FROM FINANCING ACTIVITIES	94.83	1,930.15
NET INCREASE IN CASH AND CASH EQUIVALENTS	7.36	(4.08)
Opening Cash and Equivalents	132.59	136.67
Closing Cash and Equivalents	139.94	132.59

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd

P. Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

30.05.2015

For Vivimed Labs Limited

Sd

Santosh Varalwar

CEO & Managing Director

Sd

Manohar Rao Varalwar

Whole time director

Yugandhar Kopparchy

Company Secretary

Notes to Financial Statements

NOTE 1 : SHARE CAPITAL

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
a	Equity Share Capital		
(a)	Authorised		
	(No. of Shares 4,00,00,000- Current Year)	400.00	200.00
	(No. of Shares 2,00,00,000- Previous Year)		
(b)	Issued		
	(No. of Shares 1,62,03,783 Current Year)	162.04	162.04
	(No. of Shares 1,62,03,783 Previous Year)		
(c)	Subscribed & Fully Paid Up		
	(No. of Shares 1,62,03,783 Current Year)	162.04	162.04
	(No. of Shares 1,62,03,783 Previous Year)		
(d)	Subscribed & not fully paid up		
(e)	Par Value per share ₹10/-		
	Total Equity Share capital	162.04	162.04
b	Preference Share Capital		
(a)	Authorised		
	(No. of Shares 7,10,000- Current Year)	710.00	910.00
	(No. of Shares -9,10,000- Previous Year)		
(b)	Issued		
	(No. of Shares - NIL Current Year)		-
	(No. of Shares NIL- Previous Year)		-
(c)	Subscribed & Fully Paid Up		
	(No. of Shares - NIL Current Year)		
	(No. of Shares NIL- Previous Year)		
(d)	Subscribed & not fully paid up		
(e)	Par Value per share ₹1000/-		
	Total Preference Share capital		
	Total Share Capital (Equity & Preference)	162.04	162.04
c	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:		
	Equity Shares of ₹10 Each, Fully paid up		
	At the Beginning	16,203,783	16,203,783
	Issued during the year - Bonus Issue		
	Issued during the year - Cash Issue		
	Equity Shares		
	Warrants converted into shares		
	CCPS Converted into Equity shares		
	Issued during the year - Other than cash		
	Forfeited / Bought Back during the year		
	At the end	16,203,783	16,203,783
d	Preference Shares of ₹1000 Each, Fully paid up		
	At the Beginning		-
	Issued during the year - Cash Issue		
	At the end	-	-
e	Details of Shareholder holding more than 5% shares of the Company:	% of Share Holding	% of Share Holding
	Equity Shares of ₹10 each Held By		
	Nylim Jacob Ballas Indis Fund III, LLC - No. of Shares (21,26,984) (PY 21,26,984)	13.13%	13.13%
	BBR Projects Pvt Ltd - No. of Shares (CY) 20,14,987 (PY 20,42,987)	12.44%	12.60%
	KITARA PIIN 1102 - No. of Shares (C.Y) 18,30,137 (PY 18,30,137)	11.29%	11.29%
	Santosh Varalwar - No. of Shares (C.Y) 12,69,810 (PY 12,69,810)	7.84%	7.84%



Notes to Financial Statements

NOTE 2 : RESERVES AND SURPLUS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	RESERVES AND SURPLUS		
a)	Capital Reserve	8.57	8.57
b)	Securities Premium Reserve		
	As at the commencement of the year	1,766.60	1,718.03
	Add: Additions during the year		48.57
	Security Premium Reserve at the End of the Year	1,766.60	1,766.60
c)	Revaluation Reserve	10.00	10.00
d)	Capital Subsidy		
e)	General Reserve		
	As at the commencement of the year	144.08	117.45
	Add: Additions during the year	23.72	26.63
	General Reserve at the End of the Year	167.80	144.08
f)	Surplus :		
i)	Opening Balance - Profit and Loss Account	1,758.10	1,574.93
	Add: Transfer from Profit & Loss Account	189.33	266.30
	Less: Transfer To General Reserve		26.63
	Less : Depreciation charged to Retained earnings	14.99	
		1,932.45	1,814.60
ii)	Proposed Dividend		
	Equity Shares Capital		48.61
	Preference Share Capital		
	Dividend Tax		7.89
		1,932.45	1,758.10
g)	Foreign Currency Translation Reserve	(307.97)	(125.16)
	Total	3,577.45	3,562.20

NOTE 3 : LONG TERM BORROWINGS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Long Term Borrowings (Non Current Portion)		
a)	Secured & Considered Good {Refer Note No. 3(a)}		
	Term Loans From Banks	1,283.34	1,062.20
	Term Loans From Financial Institutions	1,325.30	1,441.38
		2,608.64	2,503.58
b)	Unsecured & Considered Good		
	FCCB's From Financial Institutions	469.43	409.19
	Note No. 3(a): Term Loans secured and considered good from State Bank of Hyderabad, State Bank of India, Allahabad Bank, Axis Bank, Exim Bank & International Finance Corporation are secured by first pari passu charge on all the present and future fixed assets both movable and immovable properties of the Company.		
	Total	3,078.07	2,912.77

Notes to Financial Statements

NOTE 4 : DEFERRED TAX LIABILITY

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
	Deferred Tax Liability/ (Asset) - Net	315.48	310.81

NOTE 5 : OTHER LONG TERM LIABILITIES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	a) Advances from Related Parties & Others (Refer Note No. 37)	449.50	283.61
	b) Others	849.47	694.53
	Total	1,298.96	978.14

NOTE 6 : LONG TERM PROVISIONS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	a) Provisions for Employee Benefits	26.07	18.47
	b) Deferred Payment Liabilities	4.04	5.06
	Total	30.10	23.53

NOTE 7 : SHORT TERM BORROWINGS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Short Term Borrowings		
	Working Capital Loans from Banks {Refer Note No. 7(a)}		
	- Secured & Considered Good		
	a) Cash Credit & Packing Credit Loans	2,693.34	2,472.59
	b) Loan against Foreign Bills Discounting	168.02	290.79
	Note No. 7(a): (All the Working Capital loans from State Bank of Hyderabad, Bank of Bahrain & Kuwait, Allahabad Bank, State Bank of India & Exim Bank, are secured by pari passu first charge on all the Current Assets and second charge on all Fixed Assets of the Company both present & future)		
	Total	2,861.36	2,763.39

NOTE 8 : TRADE PAYABLES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Trade Payables		
	Creditors for Supplies & Services	435.93	392.56
	Total	435.93	392.56



Notes to Financial Statements

NOTE 9 : OTHER CURRENT LIABILITIES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Current Maturities of Long Term Debt	992.56	681.03
	Other Liabilities	24.06	69.80
	Total	1,016.63	750.82

NOTE 10 : SHORT TERM PROVISIONS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	a) Provision for employee benefits	34.44	24.15
	b) Provision for Income Tax	120.15	102.67
	c) Provision for Expenses	96.95	27.42
	Total	251.54	154.24

NOTE 11 : FIXED ASSETS

₹ in Millions

Sl. No.	Particulars	Gross Block			Depreciation Block						Net Block as at 31.03.2015	Net Block as at 01.04.2014
		As at 01.04.2014	Additions Upto 31.03.2015	As at 31.03.2015	As at 01.04.2014	For the period 31.03.2015	Dep amt Charged to Retained earnings	Dep & Amt charged to retained earnings	Sale or Deletion	Total Depre- ciation		
1	Land	874.70	(2.45)	872.25	0.00	-	-	-	-	0.00	872.25	874.70
2	Building	715.37	4.63	720.00	100.98	20.80	-	20.80	-	121.78	598.22	614.39
3	Plant & Machinery	2,608.66	2.70	2,611.35	455.02	129.18	-	129.18	-	584.20	2,027.16	2,153.64
4	Electrical Equipment	67.21	1.32	68.53	19.72	12.74	-	12.74	-	32.46	36.07	47.49
5	Laboratory Equipment	103.94	0.05	103.99	14.88	15.38	-	15.38	-	30.26	73.73	89.06
6	Office Equipment	8.98	0.07	9.06	2.81	1.59	2.56	4.15	-	6.96	2.10	6.17
7	Computers	41.08	5.80	46.88	21.11	4.57	11.54	16.12	-	37.23	9.65	19.97
8	Furniture	24.01	0.65	24.66	8.29	4.05	0.04	4.10	-	12.39	12.27	15.72
9	Vehicles	42.16	-	42.16	22.08	4.08	0.85	4.93	-	27.00	15.16	20.08
10	Borewell	-	-	-	-	-	-	-	-	-	-	-
11	Generator	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total	4,486.11	12.77	4,498.89	644.90	192.39	14.99	207.38	-	852.28	3,646.61	3,841.22
12	Intangible Assets	163.12	-	163.12	30.99	13.21	-	13.21	-	44.21	118.92	132.13
	Sub-Total	163.12	-	163.12	30.99	13.21	-	13.21	-	44.21	118.92	132.13
13	Capital Work In Progress	155.14	477.58	632.72	-	-	-	-	-	-	632.72	155.14
	Sub-Total	155.14	477.58	632.72	-	-	-	-	-	-	632.72	155.14
	Total	4,804.37	490.36	5,294.73	675.89	205.60	14.99	220.59	-	896.48	4,398.25	4,128.48

Notes to Financial Statements

NOTE 12 : NON- CURRENT INVESTMENTS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Non- Current Investments		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	Unquoted Shares at Cost - Other than Trade	2,300.46	2,275.46
	Total	2,300.46	2,275.46

NOTE 13 : INVENTORIES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Inventories :		
	(a) Raw Materials	1,258.80	1,244.03
	(c) Packing Materials	35.56	34.86
	(b) Semi-finished & Work in process	233.01	123.16
	(c) Finished Goods	694.42	277.60
	(d) Goods - in - Transit	3.20	21.67
	Total	2,224.99	1,701.32

NOTE 14 : TRADE RECEIVABLES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Outstanding for a period exceeding six months		
	Unsecured, Considered Good	68.42	45.47
	Other Receivables:		
	Unsecured, Considered Good	2,212.33	1,792.45
	Total	2,280.75	1,837.92

NOTE 15 : CASH AND BANK BALANCES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	40.78	42.30
	b) Cash on hand	0.33	0.66
	Sub Total	41.11	42.96
	Other Bank Balances		
	c) On Deposit Accounts	98.84	89.63
	Sub Total	98.84	89.63
	Total	139.94	132.59



Notes to Financial Statements

NOTE 16 : SHORT TERM LOANS AND ADVANCES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Loans & Advances to Related Party		
	Unsecured & Considered Good	1,083.11	1,438.62
II	Deposits	290.99	253.34
III	Others	249.77	207.18
	Total	1,623.87	1,899.14

NOTE 17 : OTHER CURRENT ASSETS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	MAT Receivable	59.31	59.31
	Total	59.31	59.31

NOTE 18 : REVENUE FROM OPERATIONS

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	Revenue from Operations		
	(a) Sale of Products		
	Domestic	2,230.57	2,377.47
	Export	2,069.13	1,939.68
	(b) Other Operating Revenues	1.78	2.78
		4,301.48	4,319.93
	Total	4,301.48	4,319.93

NOTE 19 : OTHER INCOME

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	Interest on Bank Fixed Deposits	6.87	8.10
	Other Miscellaneous Income	7.47	7.40
	Total	14.34	15.50

NOTE 20 : COST OF MATERIALS CONSUMED

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	Opening Stock of Raw Materials and Consumables	1,244.03	982.15
	Opening Stock of Packing Materials	34.86	34.77
	Add : Purchases during the year	2,526.50	2,622.54
		3,805.39	3,639.46
	Less : Closing Stock of Raw Materials and Consumables	1,258.80	1,244.03
	Less : Closing Stock of Packing Materials	35.56	34.86
	Total	2,511.03	2,360.57

Notes to Financial Statements

NOTE 21 : CHANGES IN INVENTORIES & WIP

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	Finished Goods		
	Inventories at the beginning of the year	277.60	262.63
	Less : Inventories at the end of the year	694.42	277.60
	Sub Total (A)	(416.82)	(14.97)
	Semi Finished Goods & Work in Progress		
	Inventories at the beginning of the year	123.16	124.03
	Less : Inventories at the end of the year	238.29	123.16
	Less : Goods in Transit		
	Sub Total (B)	(115.13)	0.87
	(Increase) / Decrease in Inventories (A+B)	(531.95)	(14.10)

NOTE 22 : EMPLOYEE BENEFIT EXPENSES

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	(a) Salaries & Wages	260.59	179.43
	(b) Contribution to Provident Fund & ESI	2.72	2.26
	(c) Bonus	15.37	16.15
	(d) Staff Welfare Expenses		
	- Staff Training Expenses	0.04	0.11
	- Staff Recruitment Expenses	0.12	0.37
	Total	278.83	198.33

NOTE 23 : OTHER OPERATING EXPENSES

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	Consumption of Stores & Spares	63.55	56.82
	Power & Fuel	158.09	203.59
	Wages & Allowances	30.46	29.71
	Labour Charges	38.29	32.58
	Repairs to Building	1.45	0.68
	Repairs to Machinery	27.56	33.47
	Other Manufacturing Expenses	47.60	34.08
	Job Work Charges	34.92	27.73
	R & D Expenses	110.60	138.49
	Total	512.52	557.15



Notes to Financial Statements

NOTE 24 : ADMINISTRATIVE EXPENSES

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	Business & Marketing Expenses	27.77	26.99
	Commission & Discounts	8.36	5.53
	Travelling Expenses - Foreign	15.78	14.17
	Printing & Stationery	4.34	3.80
	Telephone & Postage Expenses	6.29	6.35
	Travelling Expenses	17.14	7.17
	Rates & Taxes	4.31	6.63
	Conveyance	11.16	11.88
	Consultancy Charges	40.88	29.99
	Directors' Sitting Fee	0.36	0.33
	Insurance	26.98	14.48
	Rent	22.31	9.84
	Other Administrative Expenses	140.66	101.64
	Bank charges	13.29	21.69
	Processing Fee on Term Loans	30.07	22.33
	Fluctuation on Foreign exchange	69.40	(98.94)
	Directors' Remuneration - Salary	29.00	34.91
	Payment to Auditors:		
	(i) As Auditor	5.79	2.56
	Total	473.87	221.34

NOTE 25 : FINANCE COST

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	(a) Interest Expenses		
	- Interest on Cash Credit	310.33	237.82
	- Interest on Term Loans	233.69	128.99
	- Interest on Vehicle Loan	0.24	0.74
	- Interest on ECB Loan	79.09	75.89
	Total	623.35	443.44

Notes to Financial Statements

NOTE 26 : Significant Accounting Policies to the Standalone Financial Statements

BASIS OF PREPARATION:

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956, shall continue to apply. Consequently these financial statements have been prepared to comply in all material respects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 (Companies Accounting Standards Rules, 2006 as amended) and the relevant provisions of the Companies Act, 2013 ('the Act'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosure of Contingent Liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include provisions for bad and doubtful debts. Any revision to accounting estimates is recognised prospectively.

1. Accounting Convention and Revenue Recognition:

The Financial Statements have been prepared on a going concern basis in accordance with historical cost convention except for such fixed assets which are revalued. Both Income and Expenditure are recognised on accrual basis.

Sales are accounted Net of Excise Duty, Taxes and Sales Returns. Other Items of Revenue are recognised in accordance with AS-9.

2. Cash Flow Statement: AS-3

The Company has prepared Cash Flow Statement as per the AS-3.

Cash flows are reported using the Indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

3. Retirements Benefits:

Staff benefits arising out of retirements / death, comprising of contributions to Provident Fund, Superannuation & Gratuity Schemes, accrued Leave Encashment and other post-separation benefits are accounted for on the basis of an independent actuarial valuation, in accordance with AS-15. The actuarial liability is determined with reference to employees at the end of each financial year.

4. Accounting for Fixed Assets:

Fixed Assets are stated at cost of acquisition and subsequent improvements thereto, inclusive of taxes, freight and other incidental expenses related to acquisition, improvements and installation, except in case of revaluation of Fixed Assets where they are stated at revalued amount, as contained in AS-10. Capital Work-in-Progress includes cost of Fixed Assets under installation, any unallocated expenditure and Interest during construction period on loans taken to finance the Fixed Assets.

5. Accounting for Depreciation:

i) Depreciation on Fixed Assets is provided on straight-line method.

ii) Effective 1st April 2014, the Company depreciates its fixed assets over the useful life as prescribed in Schedule II of the Act, 2013 as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956.

6. Accounting for Government Grants:

Government Grants / Subsidies are accounted in accordance with AS-12.

7. Accounting for Investments:

Long term investments are stated at cost. However, provision for diminution is made to recognise any decline, other than temporary, in the value of long term investments. Current Investments are stated at the lower of cost and fair value.



Notes to Financial Statements

NOTE 26 : Significant Accounting Policies to the Standalone Financial Statements (contd.)

8. Accounting for Intangible Assets:

Intangible assets are capitalised at cost if :

- a) It is probable that the future economic benefits that are attributable to the asset will flow to the Company;
- b) The Company will have control over the assets;
- c) The cost of these assets can be measured reliably and is more than 10,000/- & this is in accordance with AS-26.
- d) Expenditure on Research and Development:
 - (i) Capital Expenditure on Research and Development has been capitalised as Fixed Assets at the cost of acquisition inclusive of taxes, freight, and other incidental expenses related to acquisition and installation.
 - (ii) Revenue Expenditure on research including the expenditure during the research phase of Research and Development projects is charged to Profit and Loss Account as expense in the year of occurrence.

9. Transactions in Foreign Exchange:

Sales / Purchases and revenue incomes / expenses in foreign currency are booked at the exchange rate prevailing on the date of transaction. Gain / Loss arising out of fluctuations in exchange based on the rate on date of realisation is accounted for in the Profit and Loss Account as per AS-11.

Foreign Currency Monetary assets and liabilities are translated at year end exchange rates.

Foreign currency loans covered by forward contracts are realigned at the forward contract rates while those not covered by forward contracts are realigned at the rate prevailing at the year end.

Non monetary assets and liabilities are translated at the rate prevailing on the date of transaction and foreign exchange fluctuation gain or loss raised on account of translation of non monetary items like long term loans and advances are accumulated in a reserve account (FCMITDA).

10. Accounting for Borrowing Costs:

Borrowing cost relating to acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/sale. Borrowing costs that are attributable to the projects are charged to the respective projects. All other borrowing costs, not eligible for capitalisation, are charged to revenue.

11. Accounting & Valuation for Inventories:

- a) Materials, Stores & Spares, Tools and Consumables are valued at Cost or Market Value, whichever is lower, on the basis of First In First Out method reflecting the fairest possible approximation to the cost incurred in bringing the items of Inventory to their present location and condition.
- b) Finished Stock of completed products is valued at lower of Cost or Net Realisable Value on the basis of actual identified units.
- c) Scrap is valued at Net Realisable Value.
- d) Work in process in respect of activities is valued at estimated cost.
- e) Shuttering and Tools is valued at amortised Cost, spread over a period of three years.

12. Accounting for Taxes on Income:

- a) Provision for tax for the year comprises current Income Tax and Deferred Tax and is provided as per the Income Tax Act, 1961.
- b) Deferred tax resulting from timing differences between the book and the tax profits is accounted for, at the current rate of tax, to the extent that the timing differences are expected to crystallise. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets/ liabilities are reviewed as at each balance sheet date.

13. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- a) The Company has a present obligation as a result of a past event;

Notes to Financial Statements

NOTE 26 : Significant Accounting Policies to the Standalone Financial Statements (contd.)

- b) A probable outflow of resources is expected to settle the obligation; and
- c) The amount of the obligation can be reliably estimated.
- d) Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of:

- a) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) A possible obligation, unless the probability of outflow of resources is remote. Contingent Assets are neither recognised nor disclosed.

14. Earnings per Share:

The earnings considered in ascertaining the companies earning per share comprise net profit after tax and includes the post tax effect of any extra-ordinary/exceptional item is considered. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

The no. of shares used in computing diluted earnings per share comprises the weighted average no. of shares considered for deriving basic earnings per share and also the weighted average no. of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

15. Accounting for Impairment of Assets:

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired.

Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of carrying amount over the higher of the asset's net sale price or present value as determined above.

16. Related Party Disclosures:

The Company as required by AS-18 furnishes the details of Related Party Disclosures in the notes to financial statements.

NOTE 27 : Equity Share Capital and Compulsory Convertible preference shares:

During the FY 2014-15 there was no issue of shares. However there was a reclassification of authorised preference capital worth ₹200 million to authorised equity share capital.

NOTE 28 :

Warrant Application money of ₹23.72 Million as represented in the financials as on 31-03-2014 was forfeited during the current FY 2014-15 and the aforesaid amount has been transferred to general reserve.

NOTE 29 : Employee Benefits (Gratuity & Earned Leave Encashment):

The details of the Company's post – retirement benefit plans for its employees including whole-time directors are given below which are certified by an Independent Actuary.

a) Amounts recognised in the Balance Sheet as at 31-03-2015:

		<i>₹ in Millions</i>			
S. No.	Particulars	Gratuity		Leave Encashment	
		2014-15	2013-14	2014-15	2013-14
1	Present Value of Obligation as at the beginning of the year	20.10	13.48	5.96	4.99
2	Value of fund as at the year end				
3	Funded status	20.10	13.48	(5.96)	(4.99)
4	Unrecognised actuarial gain/losses				
5	Net Asset/(Liability) recognised in Balance sheet	20.10	13.48	(5.96)	(4.99)



Notes to Financial Statements

NOTE 29 : Employee Benefits (Gratuity & Earned Leave Encashment) (contd.)

b) Expense recognised in the statement of Profit and Loss for the year ended 31-03-2015

₹ in Millions

S. No.	Particulars	Gratuity		Leave Encashment	
		2014-15	2013-14	2014-15	2013-14
1	Current service cost	2.79	2.10	0.97	1.3
2	Interest cost	1.23	1.05	0.45	0.3
3	Net actuarial (gain) or loss recognised in the year	3.77	(2.35)	0.27	1.97
4	Expense recognised in profit & Loss account	7.79	0.82	1.70	3.58

c) Present value of Obligation for the year ended 31-03-2015:

₹ in Millions

S. No.	Particulars	Gratuity		Leave Encashment	
		2014-15	2013-14	2014-15	2013-14
1	Present value of the obligation as at the beginning of the year	13.47	12.89	4.99	3.69
2	Interest cost	1.23	1.05	0.45	0.30
3	Service cost	2.79	2.10	0.97	1.30
4	Benefits paid	(1.16)	(0.21)	(0.73)	(2.28)
5	Actuarial gain/loss on obligations	3.77	(2.35)	0.27	1.97
6	Present value of the obligation as at the end of the year	20.1	13.48	5.96	4.99
	a) Current liability	2.92	1.49	5.96	4.99
	b) Non-Current liability	17.19	11.99	-	-

d) Actuarial (Gain) / Loss recognised during the year:

₹ in Millions

S. No.	Particulars	Gratuity		Leave Encashment	
		2014-15	2013-14	2014-15	2013-14
1	Actuarial (gain)/loss for the year obligation	(3.77)	2.35	(0.27)	(1.97)
2	Total (gain)/loss for the year	3.77	(2.35)	0.27	1.97
3	Actuarial (gain)/loss recognised in the year	3.77	(2.35)	(0.27)	(1.97)

e) Assumptions

Assumptions made for the purpose of Gratuity & Leave encashment valuation for the year ended 31.03.2015

₹ in Millions

S. No.	Particulars	Gratuity		Leave Encashment	
		2014-15	2013-14	2014-15	2013-14
1	Discount Rate	7.80%	9.13%	7.80%	9.14%
2	Rate of increase in compensation levels	2%	2%	2%	2%
3	Rate of Return of plan assets	0%	0%	0%	0%
4	Expected average remaining working lives of employees(years)	23 yrs	24 yrs	25 yrs	24 yrs

NOTE 30 : Treatment of Capital Work in Progress:

Capital Work in Progress includes Cost of Land under acquisition and Plant, Machinery & Equipments under installation. Management certification for the same is yet to be received.

Notes to Financial Statements

NOTE 31 : Detailed information regarding quantitative particulars under part II of schedule III to the Companies Act, 2013

i) Quantitative information with regard to Licensed Capacity and & Installed Capacity per annum.

₹ in Millions

S. No.	Item	UOM	Quantity
1	Speciality Chemicals	MT	4000
2	Capsules	Million	400
3	Tablets	Million	100
4	Lotions	KL	800
5	Ointments	MT	5
6	Small Volume Parenterals	KL	400

NOTE 32 : Production Data

₹ in Millions

S. No.	Items	UOM	Quantity	
			2014-15	2013-14
1	Specialty Chemicals	MT	2780	3050.45
2	Capsules	Million	42	56.87
3	Tablets	Million	89.22	77.26
4	Lotions	KL	734	805.72
5	Ointments	MT	16.36	18.51
6	Small Volume Parenterals	KL	334	320.50
7	Others	MT	-	173.55

NOTE 33 : Sales Data

₹ in Millions

Items	UOM	Quantity		Value (Million)	
		2014-15	2013-14	2014-15	2013-14
Specialty Chemicals	MT	2603.38	3259.49	3494.12	3511.22
Capsules	Million	34.51	63.64	139.77	42.53
Tablets	Million	92.09	75.54	147.84	40.29
Lotions	KL	708.79	799.01	152.15	154.77
Ointments	MT	16.19	14.29	26.20	15.48
Small Volume Parenterals	KL	332.01	335.96	341.41	255.05
Others	MT	6.53	168.79	4.82	300.60
Total				4301.49	4319.93

NOTE 34 : Opening & Closing Stock of Finished Goods as at 31-03-2015

₹ in Millions

Items	UOM	Opening Stock		Closing Stock	
		Quantity	Value (Millions)	Quantity	Value (Millions)
Specialty Chemicals	MT	109.89	255.28	286.51	665.58
Capsules	Million	9.94	7.27	17.43	13.42
Tablets	Million	4.05	8.52	1.18	2.48
Lotions	KL	13.35	2.66	38.56	7.68
Ointments	MT	5.61	0.33	5.78	0.34
Small Volume Parenterals	KL	5.09	3.54	7.08	4.92
Total			277.60		694.42



Notes to Financial Statements

NOTE 35 : Consumption of Materials

S. No.	Particulars	2014-15		2013-14	
		₹ Millions	% of Consumption	₹ Millions	% of Consumption
1	Indigenous	2122.34	84.54	1901.13	80.54%
2	Imported	388.69	15.48	459.44	19.46%

NOTE 36 : Related Party Disclosures: Accounting Standard 18

S. No.	List of Related Parties and Relationships	Country of Incorporation
(i)	Holding Company	
	Vivimed Labs Limited	India
(ii)	Subsidiary Companies	
1	Octanttis Nobel Labs Pvt Limited, India	India
2	Creative Health Care Private Limited, India	India
3	Klar Sehen Private Limited, India	India
4	Finoso Pharma Private Limited	India
5	Vivimed Alathur Private Limited	India
6	Vivimed Holdings Limited, Hong Kong	Hongkong
7	Vivimed Labs Europe Limited, UK	United Kingdom
8	Vivimed Lab USA Inc. USA	USA
9	Vivimed Labs Spain SL	Spain
10	Union Quimico Farmaceutica SAU, Spain	Spain
11	Uquifa Mexico S A de C.V	Mexico
12	Vivimed Labs Mauritius Limited	Mauritius
13	Holiday International Limited	UK
14	Vivimed Labs UK Limited	UK
(iii)	Enterprises in which key Management Personnel have significant influence	
1	BBR Projects Pvt Ltd	India
2	Kreative Hosts Atria Pvt. Ltd.	India
3	Yantra Green Power Pvt Ltd	India
(iv)	Key Management Personnel	Position
1	Dr. V Manohar Rao	Executive Chairman
2	Subhash Varalwar	Executive Vice Chairman
3	Santosh Varalwar	CEO & Managing Director
4	Sandeep Varalwar	Director
5	S Raghunandan	Director

Notes to Financial Statements

NOTE 37 : Transactions with related parties:

₹ in Millions

S. No.	Nature of Transactions	2014-15	2013-14
1	Investment in		
	Octanttis Nobel Labs Pvt Limited, India	23.00	23.00
	Creative Health Care Private Limited, India	25.00	25.00
	Klar Sehen Private Limited, India	200.00	200.00
	Finoso Pharma Private Limited	100.00	100.00
	Vivimed Alathur Private Limited	1220.00	1,220.00
	Vivimed Holdings Limited, Hong Kong	0.07	0.07
	Vivimed Lab USA Inc. USA	246.98	246.98
	Vivimed Labs Mauritius Limited	460.41	460.41
	Yantra green power	25.00	-
2	Loans & Advances given / (Returned)		
	Creative Health Care Private Limited	39.07	-
	Octanttis Nobel Labs Pvt Limited, India	1.06	17.04
	Klar Sehen Private Limited, India	24.32	93.86
	Vivimed Alathur Private Limited	511.00	465.60
	Yantra Green Power Pvt Ltd	-	25.00
	Vivimed Lab USA Inc. USA	-	-46.27
	Union Quimico Farmaceutica SAU, Spain	9.62	-
	Vivimed Labs Spain SL	69.80	179.78
3	Loans & Advances Receivable		
	Octanttis Nobel Labs Pvt Limited, India	109.33	108.28
	Klar Sehen Private Limited, India	112.87	88.55
	Vivimed Holdings Limited, Hong Kong	855.92	855.92
	Vivimed Lab USA Inc. USA	33.15	33.15
	Vivimed Labs Mauritius Limited	132.82	132.82
	Vivimed Labs Spain STL	289.69	219.89
	Vivimed Alathur Private Limited	976.50	465.50
	Yantra Green Power Pvt Ltd	-	25.00
4	Loan & Advance taken /(repaid)		
	Creative Health Care Private Limited, India	74.15	37.30
	Klar Sehen Private Limited, India	85.90	-
	Finoso Pharma Private Limited	-	32.35
	Vivimed Alathur Private Limited	-	1,107.40
	Vivimed Labs Europe Limited, UK	48.04	-30.15
	Vivimed Labs Spain STL	188.31	9.39
	Union Quimico Farmaceutica SAU, Spain	9.61	21.89
	Actavis Pharmaceuticals	467.81	-
	Kreative Hosts Artia Pvt Ltd	0.56	-
	Vivimed Labs Spain USL	9.65	-
	BBR Projects Pvt Ltd	15.00	-
5	Loans & Advances Payable		
	Creative Health Care Private Limited, India	99.15	42.30
	Klar Sehen Private Limited, India	67.50	67.50
	Finoso Pharma Private Limited	32.35	32.35



Notes to Financial Statements

NOTE 37 : Transactions with related parties: (contd.)

		₹ in Millions	
S. No.	Nature of Transactions	2014-15	2013-14
	Vivimed Alathur Private Limited	1575.21	1,107.40
	Vivimed Labs Europe Limited, UK	68.98	20.94
	Vivimed Labs Spain USL	157.93	148.28
	Union Quimico Farmaceutica SAU, Spain	21.89	21.89
6	Sales & Dossier to		
	Creative Health Care Private Limited, India	0.20	5.02
	Klar Sehen Private Limited, India	14.21	6.83
	Vivimed Labs Europe Limited, UK	444.40	679.21
	Vivimed Lab USA Inc. USA	225.60	275.03
	Union Quimico Farmaceutica SAU, Spain	12.03	102.69
	Uquifa Mexico S A de C.V	7.99	25.73
7	Receivable from		
	Creative health care Pvt Ltd	20.81	
	Klar Sehen Private Limited, India	-	2.73
	Vivimed Labs Europe Limited, UK	171.76	287.44
	Vivimed Lab USA Inc. USA	127.07	138.43
	Union Quimico Farmaceutica SAU, Spain	0.85	20.20
	Uquifa Mexico S A de C.V	3.64	8.20
8	Purchases from		
	Creative Health Care Private Limited, India	29.07	0.03
	Klar Sehen Private Limited, India	-	0.02
	Vivimed Labs Europe Limited, UK	5.11	8.44
	Vivimed Lab USA Inc. USA	1.14	2.35
9	Services, Interest & reimbursement availed		
	Creative Health Care Private Limited, India	-	0.06
	Klar Sehen Private Limited, India	5.70	4.19
	Vivimed Labs Europe Limited, UK	18.17	12.72
	Vivimed Lab USA Inc. USA	6.05	0.88
	BBR Projects Pvt Ltd	2.43	2.43
	Kreative Hosts Atria Pvt. Ltd.	.50	0.85
10	Payable to		
	Vivimed Labs Europe Limited, UK	62.58	9.09
	Vivimed Lab USA Inc. USA	15.60	10.24
	Kreative Hosts Atria Pvt. Ltd.	-	0.48
	BBR Projects Pvt Ltd	7.01	17.13
	Union Quimico Farmaceutica SAU, Spain	1.36	-
	Creative Health Care Pvt Ltd		9.09
	Klar Sehen Private Limited, India	7.60	-
11	Directors Remuneration		
	Dr. V Manohar Rao	6.00	6.50
	Subhash Varalwar	6.00	6.50
	Santosh Varalwar	6.00	9.00
	Sandeep Varalwar	6.00	7.00
	S Raghunandan	5.00	5.00
	P V Rathnam	0.80	-

Notes to Financial Statements

NOTE 38 : Contingent Liabilities:

i) ₹ in Millions

Particulars		As at 31-03-2015	As at 31-03-2014
Letter of Credit	Foreign LC's	15.19	4.80
	Inland LC's	396.86	452.10
	Axis Bank – SBLC	671.00	600.98
Bank Guarantee	State Bank of Hyderabad, Balanagar Branch, Hyderabad.	4.26	4.90

ii) Income Tax Demand (Disputed Liability) amounting to ₹13,96,28,040/ for various Assessment Years.

iii) Sales tax demand amounting to ₹1,03,42,355/- for the AY 2012-13.

NOTE 39 : Contingent Liability on account of Corporate Guarantees:

₹ in Millions

Name of the Subsidiary	Details of the Lender	As at 31-03-2015	As at 31-03-2014
M/s Vivimed Labs (Alathur) Private Limited	SBH Overseas Branch, Somajiguda	140	-
Vivimed Labs Europe Limited, UK.	State Bank of India, London Branch	300.45	300.45
Vivimed Labs Spain S.L.	EXIM Bank	1,050.62	1,050.62
Creative Health care Pvt Ltd	Bank of Baroda	81	-
Vivimed Labs USA Inc.,	ICICI Bank, USA	106.49	106.49
Creative Health care Pvt Ltd	Axis Bank	115	100.35
Finoso Pharma Pvt Ltd	SBH, Hyderabad	45	-
Klar Sehen Pvt Limited	SBH	57.50	
Vivimed Labs UK Ltd	Axis Bank	671	

NOTE 40 :

There are no dues outstanding to Micro and Small Enterprise as per MSME Development Act, 2006.

NOTE 41 : Foreign Exchange Inflows and Outflow

Particular	Nature of Currency	2014-15		2013-14	
		Amount in Foreign Currency in Millions	₹ In Million	Amount in Foreign Currency in Millions	₹ In Million
INFLOW					
On Export of Goods	USD	22.89	1,398.73	21.40	1,287.86
	Euro	9.93	770.21	8.45	697.89
	GBP	-	-	0.02	1.91
Foreign Company Term Loan & Interest	USD	2.38	143.99	0.35	21.89
	Euro	0.30	20.44	-	-
	GBP	0.25	25.63	-	-
International Finance Corporation-ECB	USD	-	-	-	-
State Bank of India	USD	-	-	-	-



Notes to Financial Statements

NOTE 41 : Foreign Exchange Inflows and Outflow (contd.)

Particular	Nature of Currency	2014-15		2013-14	
		Amount in Foreign Currency in Millions	₹ In Million	Amount in Foreign Currency in Millions	₹ In Million
Working Capital	USD	21.20	1,316.35	34.91	2,069.97
OUTFLOW					
Raw Material	USD	4.84	295.66	11.53	705.66
	Euro	0.12	9.37	0.81	63.51
Capital Goods	USD	-	-	-	-
Travelling	GBP	0.00	0.05		
	USD	0.05	3.61	0.05	3.52
	Euro	0.05	3.61	0.03	2.09
	SGD	-	-	0.00	0.01
Foreign Company Term Loan & Interest	USD	6.02	382.40	6.90	424.87
Others(Analytical Charges, Legal Opinion charges, Registration charges , Commission etc)	USD	0.06	3.48	2.46	0.03
	Euro	0.01	0.62	-	-
Bank charges	USD	0.01	0.85	0.91	0.02
	Euro	0.00	0.17	-0.00	-0.00
Working Capital	USD	29.49	1,808.62	28.42	1,696.82

NOTE 42 : Earnings Per Share:

Particulars	₹ in Millions	
	2014-15	2013 - 14
Net profit after tax	189.35	266.30
Weighted Average Numbers of shares (Nos)	16,20,37,830	16,20,37,830
Basic EPS (₹)	11.69	16.43
Diluted EPS (₹)	11.69	16.43

NOTE 43 :

Segment wise Information is furnished in Annexure -A.

NOTE 44 :

The advance given by the Company to Yantra Green Power Private Limited amounting to ₹25 million pertaining to previous years is now treated as an investment in Yantra Green Power Pvt Ltd.

Notes to Financial Statements

NOTE 45 :

The Company has filed a merger petition before Honourable High Court's of Karnataka & Maharashtra for amalgamating of its four 100% subsidiary Companies namely:

- Octtantis Nobel Labs Private Limited
- Klar Sehen Private Limited
- Creative Health Care Private Limited
- Vivimed Labs (Alathur) Private Limited

The scheme of amalgamation would be in accordance with the "Amalgamation by Purchase" referred in Accounting Standard-14.

As per the scheme of amalgamation the effective date of amalgamation is 1st April 2014. The Amalgamation petition is pending before Honourable High Court of Karnataka and High Court of Mumbai for the year ending 31st March 2015.

NOTE 46 :

Previous year's numbers have been regrouped, rearranged, recasted, wherever necessary to confirm to Current Year Classification..

NOTE 47 :

The numbers have been rounded off to the nearest millions of rupees.

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,

Firm Regn. No: 0072575

Chartered Accountants

Sd

P. Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

30.05.2015

For Vivimed Labs Limited

Sd

Santosh Varalwar

CEO & Managing Director

Yugandhar Kopparchy

Company Secretary

Sd

Manohar Rao Varalwar

Whole time director



Annexure – A

Segment Information

₹ in Millions

Sl.No	Particulars	Speciality Chemicals		Pharmaceuticals		Total	
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
1	REVENUE						
	External Turnover	3,494.11	3,511.22	807.37	808.71	4,301.48	4,319.93
	Inter Segment Turnover	NIL	NIL	NIL	NIL	NIL	NIL
	TOTAL REVENUE	3,494.11	3,511.22	807.37	808.71	4,301.48	4,319.93
2	RESULTS						
	Operating Profit	715.78	662.69	135.78	153.32	851.56	816.01
	Interest Expenses	540.15	381.10	83.20	62.34	623.35	443.44
	Interest Income	11.35	14.52	2.99	0.98	14.34	15.50
	Profit Before Tax	186.98	296.11	55.57	91.96	242.55	388.07
	Current Tax	41.33	63.35	7.20	14.29	48.53	77.64
	Deferred Tax	3.63	39.02	1.04	5.12	4.67	44.14
	Profit After Tax	142.02	193.74	47.33	72.55	189.35	266.29
3	OTHER INFORMATION						
	Segment Assets	12,024.99	10,950.06	1,002.58	1,407.57	13,027.57	12,357.64
	Unallocated Corporate Assets	-	-	-	-	-	-
	Total Assets	12,024.99	10,950.06	1,002.58	1,407.57	13,027.57	12,357.64
	Segment Liabilities	9,067.97	7,937.25	220.10	672.43	9,288.08	8,609.67
	Unallocated Corporate Liabilities	-	-	-	-	-	-
	Total Liabilities	9,067.97	7,937.25	220.10	672.43	9,288.08	8,609.67
	Capital Employed	8,134.55	8,043.18	3,188.92	2,918.08	11,323.47	10,961.26
	Capital Expenditure – Net	484.62	149.85	5.74	15.80	490.36	165.64
	Depreciation	172.02	144.68	20.37	20.68	192.39	165.36
	Non cash expense other than Depreciation	13.21	14.68	-	0.59	13.21	15.27



Independent Auditor's Report

To
The Members of
Vivimed Labs Ltd

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Vivimed Labs Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor

considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view. In order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements:

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group as at 31st March 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS)-21-Consolidated Financial Statements specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

Other Matter

We did not audit the financial statements and financial information of 8 (Eight) subsidiary companies which are included in the consolidated year to date results, whose financial statements reflect total assets of ₹2,05,599.56 Lakhs as at 31/03/2015 and total revenue of ₹1,02,052.12 lakhs for the year ending 31st March 2015. These include financial statements and other financial information in respect of some subsidiary companies are unaudited and have been furnished to us by the management and our opinion on these consolidated financial results and the year to date results is based solely on such unaudited financial statements and other financial information.

For P. Murali & CO.,
Chartered Accountants
Firm Registration No: 0072575

P. Murali Mohana Rao
Partner
M.No. 023412

Place: Hyderabad
Date: 30/05/2015



Consolidated Balance Sheet as at 31st March, 2015

₹ in Millions

Particulars	Note No	As at 31-03-2015	As at 31-03-2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1		
(i) Equity Share Capital		162.04	162.04
(ii) Preference Share Capital		639.46	639.46
(b) Reserves and Surplus	2	4,790.86	4,778.40
(c) Money Received against Share Warrants		-	23.72
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	4,952.42	4,197.27
(b) Deferred Tax Liabilities (Net)	4	93.71	254.60
(c) Other Long Term Liabilities	5	474.91	822.32
(d) Long Term Provisions	6	31.70	51.57
(3) Current Liabilities			
(a) Short-Term Borrowings	7	3,724.69	3,754.33
(b) Trade Payables	8	1,887.14	1,904.94
(c) Other Current Liabilities	9	1,763.77	1,387.83
(d) Short-Term Provisions	10	463.89	397.14
Total		18,984.58	18,373.60
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	11	6,962.98	7,077.71
(ii) Intangible Assets	11	1,171.72	1,001.49
(iii) Capital Work-In-Progress	11	902.82	381.18
(b) Non-Current Investments	12	27.00	2.44
(c) Other Non-Current Assets	13	0.44	201.83
(2) Current Assets			
(a) Inventories	14	4,314.33	4,266.60
(b) Trade Receivables	15	3,295.78	3,478.26
(c) Cash and Bank Balances	16	266.71	345.73
(d) Short-Term Loans and Advances	17	1,852.13	1,394.95
(e) Other Current Assets	18	190.68	223.43
Total		18,984.58	18,373.60

Summary of Significant Accounting Policies and the accompanying Notes are an integral part of financial statements

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd

P. Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

30.05.2015

For Vivimed Labs Limited

Sd

Santosh Varalwar

CEO & Managing Director

Sd

Manohar Rao Varalwar

Whole time director

Yugandhar Kopparchy

Company Secretary

Consolidated Profit and Loss Statement for the year ended 31st March, 2015

₹ in Millions

Particulars	Note No	For the year ended 31-03-2015	For the year ended 31-03-2014
Revenue:			
Revenue from Operations	19	13,800.99	13,508.33
Other Income	20	58.66	82.15
Total		13,859.65	13,590.48
Expenses:			
Cost of Materials Consumed	21	6,993.16	6,637.08
Changes in Inventories (Finished goods and WIP)	22	(530.92)	(73.84)
Employee Benefit Expenses	23	1,844.28	1,626.63
Other Operating Expenses	24	2,259.63	2,337.54
Administrative Expenses	25	1,065.98	930.38
Financial Costs	26	790.37	602.91
Depreciation and Amortisation Expenses	11	661.78	661.16
Total		13,084.28	12,721.86
Profit Before Tax		775.37	868.62
Tax Expense:			
(a) Current tax		152.80	199.81
(b) Deferred tax		(97.93)	4.86
(c) MAT Credit			
Profit After Tax		720.50	663.94
Earning Per Equity Share:			
(1) Basic		44.47	40.97
(2) Diluted		44.47	40.97

Summary of Significant Accounting Policies and the accompanying Notes are an integral part of financial statements

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd

P. Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

30.05.2015

For Vivimed Labs Limited

Sd

Santosh Varalwar

CEO & Managing Director

Sd

Manohar Rao Varalwar

Whole time director

Yugandhar Kopparchy

Company Secretary



Consolidated Cash Flow Statement as at 31st March, 2015

₹ in Millions

Particulars	31.03.2015	31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary items	775.37	868.62
Add : Adjustment for		
-- Depreciation & Amortisation Expenses	661.78	661.16
-- Financing Charges	568.39	233.31
-- Prior Period Adj & Dep to Retained Earnings	(116.98)	118.66
Operating Profit before Working Capital Changes	1,888.55	1,881.75
Working Capital changes		
Add / (Less) : (Increase) / Decrease in		
-- Trade Receivables	(439.22)	(564.88)
-- Inventories	(47.73)	(915.92)
-- Loans, Advances & Deposits (Long Term & Short Term)	(1,444.55)	(2,267.71)
--Other Current Assets	40.43	(32.50)
-- Trade Payables	242.17	516.18
--Other Current Liabilities	1,334.39	286.38
--Short term Provisions	(169.30)	(79.81)
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,404.76	(1,176.51)
B. CASH FLOW FROM INVESTING ACTIVITIES		
--Proceeds from Fixed Assets	(1,243.91)	(1,591.64)
--(Increase) / Decrease in Miscellaneous Expenditure	201.80	-
--(Increase) / Decrease in Investments	(24.98)	(1,319.41)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(1,067.09)	(2,911.05)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
-- Long Term Borrowings	620.14	1,870.48
-- Short term Borrowings	96.07	846.33
-- Other Long Term Liabilities	70.14	601.44
-- Share Premium/General Reserve & Others	20.78	812.13
-- Share Capital/Preference Share capital & Pending allotment Money	(23.72)	581.85
-- Long Term Provisions	(19.87)	31.85
-- Interest paid	(568.39)	(233.31)
-- Dividend Paid	-	(160.22)
-- Foreign Exchange Fluctuation	(611.84)	(156.83)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(416.69)	4,193.72
NET INCREASE IN CASH AND CASH EQUIVALENTS	(79.02)	106.16
Opening Cash and Equivalents	345.73	239.57
Closing Cash and Equivalents	266.71	345.73

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd

P. Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

30.05.2015

For Vivimed Labs Limited

Sd

Santosh Varalwar

CEO & Managing Director

Sd

Manohar Rao Varalwar

Whole time director

Yugandhar Kopparchy

Company Secretary

Notes to Consolidated Financial Statements

NOTE 1 : SHARE CAPITAL

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
a	Equity Share Capital		
(a)	Authorised		
	(No. of Shares 4,00,00,000- Current Year)	400.00	200.00
	(No. of Shares 2,00,00,000- Previous Year)		
(b)	Issued		
	(No. of Shares 1,62,03,783 Current Year)	162.04	162.04
	(No. of Shares 1,62,03,783 Previous Year)		
(c)	Subscribed & Fully Paid Up		
	(No. of Shares 1,62,03,783 Current Year)	162.04	162.04
	(No. of Shares 1,62,03,783 Previous Year)		
(d)	Subscribed & not fully paid up		
(e)	Par Value per share ₹10/-		
	Total Equity Share capital	162.04	162.04
b	Preference Share Capital		
1	Authorised		
(a)	Vivimed Labs Limited India		
	(No. of Shares 7,10,000- Current Year)	710.00	910.00
	(No. of Shares -9,10,000- Previous Year)		
(b)	Vivimed Labs Mauritius Ltd - WOFS		639.46
	(No. of Shares 1,25,00,000- Current Year @ US \$ 1/- each)		
2	Issued		
(a)	Vivimed Labs Limited India		
	(No. of Shares - NIL Current Year)		-
	(No. of Shares NIL- Previous Year)		
(b)	Vivimed Labs Mauritius Ltd - WOFS		639.46
	(No. of Shares 1,25,00,000- Current Year @ US \$ 1/- each)		
	(No of Shares - 1,25,00,000 - Previous Year)		
3	Subscribed & Fully Paid Up		
(a)	Vivimed Labs Limited India		
	(No. of Shares - NIL Current Year)		-
	(No of shares 6,70,000 Previous year - Converted into 2126984 equity shares on 22.03.2013)		
(b)	Vivimed Labs Mauritius Ltd - WOFS		
	(No. of Shares 1,25,00,000 -Current Year)		
	(No. of Shares 1,31,70,000 - Previous Year)	639.46	639.46
(d)	Subscribed & not fully paid up		
(e)	Par Value per share ₹1000/- each & US \$ 1/- each		
	Total Preference Share capital	639.46	639.46
	Total Share Capital (Equity & Preference)	801.50	801.50
c	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:		
	Equity Shares of ₹10 Each, Fully paid up		
	At the Beginning	162.04	162.04
	Issued during the year - Bonus Issue		-
	Issued during the year - Cash Issue		-
	Equity Shares		
	Warrants converted into shares		-
	CCPS Converted into Equity shares		



Notes to Consolidated Financial Statements

NOTE 1 : SHARE CAPITAL (contd.)

		₹ in Millions	
S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
	Issued during the year - Other than cash		-
	Forfeited / Bought Back during the year		
		162.04	162.04
d	Preference Shares of ₹1000/- Each, Fully paid up		
	At the Beginning		
	Issued during the year - Cash Issue		
	At the end	-	-
e	Details of Shareholder holding more than 5% shares of the Company:	% of Share Holding	
	Equity Shares of ₹10 each Held By		
	Nylim Jacob Ballas Indis Fund III, LLC - No. Of Shares (21,26,984) (PY 2126984)	13.13%	13.13%
	BBR Projects Pvt Ltd - No. Of Shares (CY) 2014987 (PY 2042987)	12.44%	12.60%
	KITARA PIIN 1102 - No. Of Shares (C.Y) 18,30,137 (PY 18,30,137)	11.29%	11.29%
	Santosh Varalwar - No. Of Shares (C.Y) 12,69,810 (PY 12,69,810)	7.84%	7.84%
	Vivimed Labs Limited - No. Of Shares (C.Y) 1,62,03,783 (PY 1,62,03,783)		

NOTE 2 : RESERVES AND SURPLUS

		₹ in Millions	
S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	RESERVES AND SURPLUS		
a)	Capital Reserve	8.57	8.57
b)	Securities Premium Reserve		
	Opening Balance	1,766.60	1,718.03
	Add: Additions during the year		48.57
	Security Premium Reserve at the End of the Year	1,766.60	1,766.60
c)	Revaluation Reserve	10.00	10.00
d)	Capital Subsidy	3.00	3.00
e)	General Reserve		
	Opening Balance	117.44	117.44
	Add: Additions during the year	23.72	
	General Reserve at the End of the Year	141.16	117.44
f)	Profit & Loss Account :		
	Opening Balance	3,181.50	2,574.05
	Add: Profit for the Year	720.50	663.94
	Less :Transfer To General Reserve		
	Prior period adjustment	116.98	
		3,785.02	3,237.99
	Proposed Dividend		-
	Equity Shares Capital		48.61
	Preference Share Capital		
	Dividend Tax		7.89
		3,785.02	3,181.50
g)	Foreign Currency Translation Reserve	(923.50)	(308.71)
	Total	4,790.86	4,778.40

Notes to Consolidated Financial Statements

NOTE 3 : LONG TERM BORROWINGS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Long Term Borrowings		
	a) Secured - Refer Note No.3(a)		
	Term Loans From Banks	2,467.11	2,124.81
	Term Loans From Financial Institutions	2,015.88	1,663.26
		4,482.99	3,788.08
	b) Unsecured		
	FCCB's From Financial Institutions	469.43	409.19
	Other Loans		
	Note No.3(a): Term Loans secured and considered good from State Bank of Hyderabad, State Bank of India, Axis Bank, Exim Bank & International Finance Corporation are secured by first pari passu charge on all the present and future fixed assets both movable and immovable properties of the Company.		
	Total	4,952.42	4,197.27

NOTE 4 : DEFERRED TAX LIABILITY

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
	Deferred tax Liability on account of timing difference	93.71	254.60
	Deferred Tax Liability/ (Asset) - Net	93.71	254.60

NOTE 5 : OTHER LONG TERM LIABILITIES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	a) Deferred Payment Liabilities and Others	474.91	822.32
	Total	474.91	822.32

NOTE 6 : LONG TERM PROVISIONS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	a) Provisions		
	- Provision for Gratuity/Leave Encashment & Expenses	27.66	46.51
	b) Deferred Payment Liabilities		
	Sales Tax Deferment	4.04	5.06
	Total	31.70	51.57



Notes to Consolidated Financial Statements

NOTE 7 : SHORT TERM BORROWINGS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Short Term Borrowings		
	Working Capital Loans from Banks - Refer Note No.7(a)		
	- Secured & Considered Good		
	a) Cash Credit & Packing Credit	3,527.91	3,430.84
	b) Foreign Bills Discounting	168.02	290.79
	c) Others	28.76	32.70
	d) Loan From COPA Spain		
	Note No. 7(a): All the Working Capital loans from State Bank of Hyderabad, Bank of Bahrain & Kuwait, State Bank of India & Exim Bank, BBVA, Bank Sabadell, ICICI Bank, Santander Bank, Axis Bank, Yes Bank, UCO Bank & SBI London are secured by pari passu first charge on all the Current Assets and second charge on all Fixed Assets of the Company both present & future.		
	Total	3,724.69	3,754.33

NOTE 8 : TRADE PAYABLES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Trade Payables		
	Creditors for Supplies & Services	1,887.14	1,904.94
	Total	1,887.14	1,904.94

NOTE 9 : OTHER CURRENT LIABILITIES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Current Maturities of Long Term Debt	1,390.72	985.32
	Other Liabilities	373.05	402.51
	Total	1,763.77	1,387.83

NOTE 10 : SHORT TERM PROVISIONS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	a) Provision for employee benefits	38.74	33.00
	b) Provision for Income Tax	195.13	179.22
	c) Provision for Expenses	230.02	184.92
	Total	463.89	397.14

Notes to Consolidated Financial Statements

NOTE 11 : FIXED ASSETS

Sl. No.	Particulars	Gross Block				Depreciation Block				Net Block			
		As at 01.04.2014	Additions till 31.03.2015	Capitalised during the year	Sale / Deletions during the year	As on 31.03.2015	As at 01.04.2014	Dep from April'14 to MAR'15	Amt to be charged to retained earnings	Dep & Amt to be charged to retained earnings	Sale or Deletions	Total Depreciation	As on 31.03.2015
	a	b	c	d	e=a+b-c-d	f	g	h	i=g+h	j	k=f+i+j	l=e-k	m=a-f
1	Free Hold Land	1,290.80	(2.45)			1,288.36	(1.66)		(1.66)		25.17	1,263.19	1,263.97
2	Lease Hold Land	0.26	-			0.26	0.00		0.00		0.07	0.19	0.20
3	Building	1,703.68	50.85			1,754.53	56.68		56.68	0.01	415.35	1,339.18	1,345.00
4	Plant & Machinery	9,994.01	449.45		23.20	10,420.26	484.69	1.72	486.42	2.11	6,351.89	4,068.37	4,126.43
5	Electrical Equipment	109.04	1.61			110.65	14.21		14.21		54.93	55.71	68.31
6	Laboratory Equipment	187.30	13.78			201.08	20.63		20.63		86.03	115.05	121.91
7	Office Equipment	30.51	2.50		0.01	33.00	3.01	2.56	5.56		18.43	14.58	17.65
8	Computers	307.53	10.89		0.29	318.14	11.13	12.13	23.26	0.29	293.12	25.02	37.37
9	Furniture	191.96	5.09		0.02	197.03	15.55	0.04	15.59	1.60	141.24	55.79	66.31
10	Vehicle	72.38	7.30		7.08	72.60	5.42	0.85	6.26		46.73	25.87	30.31
11	Books & Periodicals	0.04				0.04	0.00		0.00		0.02	0.02	0.03
12	Data Processing Equipment	1.92				1.92	0.02	0.21	0.23		1.90	0.01	0.24
13	Lease hold Improvements	2.45				2.45			-		2.45	-	-
	Sub Total (a)	13,891.87	539.03	-	30.60	14,400.31	609.67	17.51	627.18	4.02	7,437.32	6,962.98	7,077.71
14	Capital Work in Progress	381.18	870.27	329.98	18.65	902.82	-				-	902.82	381.18
	Sub Total (b)	381.18	870.27	329.98	18.65	902.82	-	-	-	-	-	902.82	381.18
15	Intangibles	1,368.49	227.34		5.00	1,590.83	52.11		52.11	(0.00)	419.11	1,171.72	1,001.49
	Sub Total (c)	1,368.49	227.34	-	5.00	1,590.83	52.11	-	52.11	(0.00)	419.11	1,171.72	1,001.49
	Total (a+b+c)	15,641.54	1,636.64	329.98	54.25	16,893.95	661.78	17.51	679.28	4.01	7,856.43	9,037.52	8,460.38



Notes to Consolidated Financial Statements

NOTE 12 : NON- CURRENT INVESTMENTS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Non- Current Investments		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	Investment in Mutual Funds & National Savings Certificates	2.00	2.44
	Investment in Yantra green power at Standalone level	25.00	-
	Total	27.00	2.44

NOTE 13 : OTHER NON CURRENT ASSETS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Preliminary expenses	0.44	201.83
	Total	0.44	201.83

NOTE 14 : INVENTORIES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Inventories :		
	(a) Loose Tools & Equipment	-	15.78
	(b) Raw Materials	1,932.38	2,108.95
	(c) Packing Materials	93.22	78.36
	(d) Work in Process & Intermediates	653.43	713.66
	(e) Finished Goods	1,652.09	1,313.35
	(f) Goods - in - Transit	60.61	240.40
	(g) Overheads in Stock & Stock Provisions	(77.40)	(203.90)
	Total	4,314.33	4,266.60

NOTE 15 : TRADE RECEIVABLES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Outstanding for a period exceeding six months	164.79	173.91
	Unsecured, Considered Good		
	Other Receivables:	3,130.99	3,304.35
	Unsecured, Considered Good		
	Total	3,295.78	3,478.26

Notes to Consolidated Financial Statements

NOTE 16 : CASH AND BANK BALANCES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	165.39	252.40
	b) Cash on hand	2.48	2.82
	Sub Total	167.87	255.22
	On Deposit Accounts	98.84	90.50
	Sub Total	98.84	90.50
	Total	266.71	345.73

NOTE 17 : SHORT TERM LOANS AND ADVANCES

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Advances:		
	Unsecured, Considered Good		
	Advances to Suppliers for Capital Goods	156.79	131.25
II	Deposits	436.89	628.62
	Deposits (Sales Tax Deposit, Excise Deposit)		
III	Others	1,258.45	635.08
	Total	1,852.13	1,394.95

NOTE 18 : OTHER CURRENT ASSETS

₹ in Millions

S. No.	Particulars	As at 31-03-2015	As at 31-03-2014
I	Interest Accrued on Deposits	-	-
II	MAT Receivable	59.31	59.31
III	Others	131.36	164.11
	Total	190.68	223.43



Notes to Consolidated Financial Statements

NOTE 19 : REVENUE FROM OPERATIONS

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	Revenue from Operations		
	(a) Sale of Products		
	Domestic	5,006.29	5,269.48
	Export	8,788.63	8,233.93
	(b) Other Operating Revenues	6.07	4.93
	Total	13,800.99	13,508.33

NOTE 20 : OTHER INCOME

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	Other Miscellaneous Income	58.66	82.15
	Total	58.66	82.15

NOTE 21 : COST OF MATERIALS CONSUMED

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	Opening Stock of Raw Materials and Consumables	2,108.95	1,599.82
	Opening Stock of Packing Materials	78.36	69.57
	Add : Purchases during the year	6,831.44	7,155.01
		9,018.76	8,824.39
	Less : Closing Stock of Raw Materials and Consumables	1,932.38	2,108.95
	Less : Closing Stock of Packing Materials	93.22	78.36
	Total	6,993.16	6,637.08

Notes to Consolidated Financial Statements

NOTE 22 : CHANGES IN INVENTORIES & WIP

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	Finished Goods		
	Opening Stock	1,313.35	1,262.72
	Less : Closing Stock	1,652.09	1,313.35
	Sub Total (A)	(338.75)	(50.63)
	Semi Finished Goods & Work in Progress		
	Opening Stock	713.66	519.71
	Less : Closing Stock	653.43	713.66
	Less : Goods in Transit	-	-
	Sub Total (B)	60.23	(193.95)
	Goods in Transit		
	Opening Stock	-	0.23
	Less : Closing Stock	1.92	-
	Sub Total (C)	(1.92)	0.23
	Fluctuation in Foreign Exchange	(250.48)	170.52
	(Increase) / Decrease in Inventories (A+B+C)	(530.92)	(73.84)

NOTE 23 : EMPLOYEE BENEFIT EXPENSES

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	(a) Salaries & Wages	1,803.72	1,583.69
	(b) Staff Welfare Expenses	40.56	42.94
	Total	1,844.28	1,626.63

NOTE 24 : OTHER OPERATING EXPENSES

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	Consumption of Stores & Spares	174.96	155.09
	Power & Fuel	467.01	513.89
	Repairs to Building	5.96	7.77
	Repairs to Machinery	203.25	199.29
	Other Manufacturing Expenses	514.96	1,039.53
	Job Work Charges	34.92	27.73
	R & D Expenses	676.24	394.24
	Total	2,259.63	2,337.54



Notes to Consolidated Financial Statements

NOTE 25 : ADMINISTRATIVE EXPENSES

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	Business & Marketing Expenses	109.42	116.36
	Commission & Discounts	105.97	120.78
	Travelling Expenses - Foreign	46.34	52.33
	Other Selling Expenses	37.48	31.91
	Printing & Stationery	14.04	11.42
	Telephone & Postage Expenses	26.70	28.10
	Travelling Expenses	40.13	24.26
	Rates & Taxes	68.32	57.86
	Conveyance	11.94	11.88
	Consultancy Charges	142.52	129.98
	Directors' Sitting Fee	0.36	0.33
	Insurance	69.77	54.72
	Rent	43.79	25.74
	Other Administrative Expenses	278.68	451.32
	Other Borrowing Costs & Bank charges	34.42	37.50
	Processing Fee on Term Loans	37.19	34.22
	Fluctuation on Foreign exchange	(21.55)	(276.81)
	Payment to Auditors:		
	(i) As Auditor	17.87	15.45
	(ii) For Taxation Matters	2.58	3.01
	Total	1,065.98	930.38

NOTE 26 : FINANCE COST

₹ in Millions

S. No.	Particulars	For the year ended 31-03-2015	For the year ended 31-03-2014
I	(a) Interest Expenses		
	- Interest on Cash Credit	373.19	287.45
	- Interest on Term Loans	358.19	264.29
	- Interest on Vehicle Loan	0.46	0.87
	- Interest on ECB Loan & Others	58.53	50.30
	Total	790.37	602.91

Notes to Consolidated Financial Statements

NOTE 27 : Significant Accounting Policies to the Standalone Financial Statements

BASIS OF PREPARATION:

a) Basis of Accounting

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost conversion on accrual basis, except certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956, shall continue to apply. Consequently these financial statements have been prepared to comply in all material respects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 (Companies Accounting Standards Rules, 2006 as amended) and the relevant provisions of the Companies Act, 2013 ('the Act'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Basis of Consolidation

The Group financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the accounting standard on Consolidation Financial Statements issued by the Institute of Chartered Accountants of India. The Group financial statements incorporate the financial information of Vivimed Labs Limited, its Subsidiaries made up to March 31, 2015. Subsidiaries are those entities that are controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of the enterprise so as to obtain benefits from its activities. Subsidiaries are consolidated from the date on which control is acquired by the Group and no longer consolidated from the date such control ceases. The financial statements of the parent company and subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and any resulting unrealised gain/loss arising from intra group transactions. Unrealised losses resulting from intra group transactions are also eliminated unless cost cannot be recovered. Amounts reported in the financial statements of Subsidiaries have been adjusted, where necessary, to ensure consistency with the accounting policies adopted by the Group.

The following companies are taken into consolidation:

- 1) Octanttis Nobel Labs Pvt Limited, India
- 2) Creative Health Care Private Limited, India
- 3) Klar Sehen Private Limited, India
- 4) Finoso Pharma Private Limited
- 5) Vivimed Alathur Private Limited
- 6) Vivimed Holdings Limited, Hong Kong
- 7) Vivimed Labs Europe Limited, UK
- 8) Vivimed Lab USA Inc. USA
- 9) Vivimed Labs Spain SL
- 10) Union Quimico Farmaceutica SAU, Spain
- 11) Uquifa Mexico S A de C.V
- 12) Vivimed Labs Mauritius Limited
- 13) Holiday International Limited
- 14) Vivimed Labs UK Limited

USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosure of Contingent Liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include provisions for bad and doubtful debts. Any revision to accounting estimates is recognised prospectively.



Notes to Consolidated Financial Statements

NOTE 27 : Significant Accounting Policies to the Standalone Financial Statements (contd.)

1. Accounting Convention and Revenue Recognition:

The Financial Statements have been prepared on a going concern basis in accordance with historical cost convention except for such fixed assets which are revalued. Both Income and Expenditure are recognised on accrual basis.

Sales are accounted Net of Excise Duty, Taxes and Sales Returns. Other Items of Revenue are recognised in accordance with AS-9.

2. Cash Flow Statement: AS-3

The Company has prepared Cash Flow Statement as per the AS-3.

Cash flows are reported using the Indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

3. Retirements Benefits:

Staff benefits arising out of retirements / death, comprising of contributions to Provident Fund, Superannuation & Gratuity Schemes, accrued Leave Encashment and other post-separation benefits are accounted for on the basis of an independent actuarial valuation, in accordance with AS-15. The actuarial liability is determined with reference to employees at the end of each financial year.

4. Accounting for Fixed Assets:

Fixed Assets are stated at cost of acquisition and subsequent improvements thereto, inclusive of taxes, freight and other incidental expenses related to acquisition, improvements and installation, except in case of revaluation of Fixed Assets where they are stated at revalued amount, as contained in AS-10. Capital Work-in-Progress includes cost of Fixed Assets under installation, any unallocated expenditure and Interest during construction period on loans taken to finance the Fixed Assets.

5. Accounting for Depreciation:

- i) Depreciation on Fixed Assets is provided on straight-line method.
- ii) Effective 1st April 2014, the Company depreciates its fixed assets over the useful life as prescribed in Schedule II of the Act, 2013 as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956

6. Accounting for Government Grants:

Government Grants / Subsidies are accounted in accordance with AS-12.

7. Accounting for Investments:

Long term investments are stated at cost. However, provision for diminution is made to recognise any decline, other than temporary, in the value of long term investments. Current Investments are stated at the lower of cost and fair value.

8. Accounting for Intangible Assets:

Intangible assets are capitalised at cost if :

- a) It is probable that the future economic benefits that are attributable to the asset will flow to the Company;
- b) The Company will have control over the assets;
- c) The cost of these assets can be measured reliably and is more than H10,000/- & this is in accordance with AS-26.
- d) Expenditure on Research and Development:
 - (i) Capital Expenditure on Research and Development has been capitalised as Fixed Assets at the cost of acquisition inclusive of taxes, freight, and other incidental expenses related to acquisition and installation.
 - (ii) Revenue Expenditure on research including the expenditure during the research phase of Research and Development projects is charged to Profit and Loss Account as expense in the year of occurrence.

9. Transactions in Foreign Exchange:

Sales / Purchases and revenue incomes / expenses in foreign currency are booked at the exchange rate prevailing on the date of transaction. Gain / Loss arising out of fluctuations in exchange based on the rate on date of realisation is accounted for in the Profit and Loss Account as per AS-11.

Foreign Currency Monetary assets and liabilities are translated at year end exchange rates.

Notes to Consolidated Financial Statements

NOTE 27 : Significant Accounting Policies to the Standalone Financial Statements (contd.)

Foreign currency loans covered by forward contracts are realigned at the forward contract rates while those not covered by forward contracts are realigned at the rate prevailing at the year end.

Non monetary assets and liabilities are translated at the rate prevailing on the date of transaction and foreign exchange fluctuation gain or loss raised on account of translation of non monetary items like long term loans and advances are accumulated in a reserve account (FCMITDA).

10. Accounting for Borrowing Costs:

Borrowing cost relating to acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/sale. Borrowing costs that are attributable to the projects are charged to the respective projects. All other borrowing costs, not eligible for inventorisation /capitalisation, are charged to revenue.

11. Accounting & Valuation for Inventories:

- a) Materials, Stores & Spares, Tools and Consumables are valued at Cost or Market Value, whichever is lower, on the basis of First In First Out method reflecting the fairest possible approximation to the cost incurred in bringing the items of Inventory to their present location and condition.
- b) Finished Stock of completed products is valued at lower of Cost or Net Realisable Value on the basis of actual identified units.
- c) Scrap is valued at Net Realisable Value.
- d) Work in process in respect of activities is valued at estimated cost.
- e) Shuttering and Tools is valued at amortised Cost, spread over a period of three years.

12. Accounting for Taxes on Income:

- a) Provision for tax for the year comprises current Income Tax and Deferred Tax and is provided as per the Income Tax Act, 1961.
- b) Deferred tax resulting from timing differences between the book and the tax profits is accounted for, at the current rate of tax, to the extent that the timing differences are expected to crystallise. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets/ liabilities are reviewed as at each balance sheet date.

13. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- a) The Company has a present obligation as a result of a past event;
- b) A probable outflow of resources is expected to settle the obligation; and
- c) The amount of the obligation can be reliably estimated.
- d) Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of:

- a) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) A possible obligation, unless the probability of outflow of resources is remote. Contingent Assets are neither recognised nor disclosed.

14. Earnings per Share:

The earnings considered in ascertaining the companies earning per share comprise net profit after tax and includes the post tax effect of any extra-ordinary/exceptional item is considered. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

The no. of shares used in computing diluted earnings per share comprises the weighted average no. of shares considered for deriving basic earnings per share and also the weighted average no. of equity shares that could have been issued on the conversion of all dilutive potential equity shares.



Notes to Consolidated Financial Statements

NOTE 27 : Significant Accounting Policies to the Standalone Financial Statements (contd.)

15. Accounting for Impairment of Assets:

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired.

Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of carrying amount over the higher of the asset's net sale price or present value as determined above.

16. Related Party Disclosures:

The Company as required by AS-18 furnishes the details of Related Party Disclosures in the notes to financial statements.

NOTE 27 : Equity Share Capital and Compulsory Convertible preference shares:

During the FY 2014-15 there was no issue of shares. However there was a reclassification of authorised preference capital worth ₹200 million to authorised equity share capital.

NOTE 28 :

Warrant Application money of ₹23.72 Million as represented in the financials as on 31-03-2014 was forfeited during the current FY 2014-15 and the aforesaid amount has been transferred to general reserve.

NOTE 29 : Employee Benefits (Gratuity & Earned Leave Encashment):

The details of the Company's post – retirement benefit plans for its employees including whole-time directors are given below which are certified by an Independent Actuary.

a) Amounts recognised in the Balance Sheet as at 31-03-2015:

₹ in Millions

S. No.	Particulars	Gratuity		Leave Encashment	
		2014-15	2013-14	2014-15	2013-14
1	Present value of obligation as at the end of the year	20.10	13.48	5.96	4.99
2	Value of fund as at the year end			-	-
3	Funded status	20.10	13.48	(5.96)	(4.99)
4	Unrecognised actuarial gain/losses				-
5	Net asset/liability recognised in Balance Sheet	20.10	13.48	(5.96)	(4.99)

b) Expenses recognised in Profit & Loss Account for the year ended 31-03-2015

₹ in Millions

S. No.	Particulars	Gratuity		Leave Encashment	
		2014-15	2013-14	2014-15	2013-14
1	Current Service Cost	2.79	2.10	0.97	1.30
2	Interest Cost	1.23	1.05	0.45	0.30
3	Net actuarial gain/ loss recognised in the year	3.77	(2.35)	(0.27)	(1.97)
4	Expenses recognised in Profit & Loss Account	7.80	0.82	1.70	3.58

Notes to Consolidated Financial Statements

NOTE 29 : Employee Benefits (Gratuity & Earned Leave Encashment) (contd.)

c) Present value of Obligation for the year ended 31-03-2015:

₹ in Millions

S. No.	Particulars	Gratuity		Leave Encashment	
		2014-15	2013-14	2014-15	2013-14
1	Present Value of the obligation as at the beginning of the year	13.37	12.89	4.99	3.69
2	Interest Cost	1.23	1.05	0.45	0.30
3	Service Cost	2.79	2.10	0.97	1.30
4	Benefits Paid	(1.16)	(0.21)	0.73	(2.28)
5	Actuarial gain/loss on obligations	3.77	2.35	0.27	1.97
6	Present Value of the obligation as at the end of the year	20.10	13.48	5.96	4.99
	a. Current Liability	2.91	1.49	5.96	4.99
	b. Non-Current Liability	17.18	11.99	-	-

d) Actuarial (Gain) / Loss recognised during the year:

₹ in Millions

S. No.	Particulars	Gratuity		Leave Encashment	
		2014-15	2013-14	2014-15	2013-14
1	Actuarial (gain)/Loss for the year-Obligation	(3.77)	2.35	(0.27)	(1.97)
2	Total (Gain)/Loss for the year	3.77	(2.35)	0.27	1.97
3	Actuarial (gain)/ loss recognised in the year	3.77	(2.35)	(0.27)	(1.97)

e) Assumptions made for the purpose of Gratuity & Leave Encashment valuation for the year ended 31-03-2015:

₹ in Millions

S. No.	Particulars	Gratuity		Leave Encashment	
		2014-15	2013-14	2014-15	2013-14
1	Discount Rate	7.80%	9.13%	7.80%	9.14 %
2	Rate of increase in Compensation Levels	2%	2% p.a	2%	2%
3	Rate of Return on plan assets	0%	0%	0%	0%
4	Expected average remaining working lives of employees (years)	23 Yrs	24 Yrs	25 Yrs	24 Yrs

NOTE 30 : Treatment of Capital Work in Progress:

Capital Work in Progress includes Cost of Land under acquisition and Plant, Machinery & Equipments under installation.



Notes to Consolidated Financial Statements

NOTE 31 : Contingent Liabilities:

i) ₹ in Millions

Particulars		As at 31-03-2015	As at 31-03-2014
Letter of Credit	Foreign LC's	15.18	4.80
	Inland LC's	396.87	452.10
	Axis Bank – SBLC	688.50	600.98
Bank Guarantee	State Bank of Hyderabad, Balanagar Branch, Hyderabad.	4.26	4.90

ii) Income Tax Demand (Disputed Liability) amounting to ₹139628040/- for various Assessment Years.

iii) Sales tax demand amounting to ₹1,03,42,355/- for the AY 2012-13

NOTE 32 : Contingent Liability on account of Corporate Guarantees:

₹ in Millions

Name of the Subsidiary	Details of the Lender	As at 31-03-2015	As at 31-03-2014
M/s Vivimed Labs (Alathur) Private Limited	SBH Overseas Branch, Somajiguda	140	-
Vivimed Labs Europe Limited, UK.	State Bank of India, London Branch	-	300.45
Vivimed Labs Spain S.L.	EXIM Bank	-	1050.62
Creative Health care Pvt Ltd	Ambit Finvest Pvt Ltd, Mumbai	150	-
Vivimed Labs USA Inc.,	ICICI Bank, USA	-	106.49
Creative Health care Pvt Ltd	Axis Bank	115	100.35
Finoso Pharma Pvt Ltd	SBH, Hyderabad	45	-

NOTE 33 : There are no dues outstanding to Micro and Small Enterprise as per MSME Development Act, 2006.

Particular	Nature of Currency	2014-15		2013-14	
		Amount in Foreign Currency in Millions	₹ In Million	Amount in Foreign Currency in Millions	₹ In Million
INFLOW					
On Export of Goods	USD	22.89	1,398.73	21.40	1,287.86
	Euro	9.93	770.21	8.45	697.89
	GBP	-	-	0.02	1.91
Foreign Company Term Loan & Interest	USD	2.38	143.99	0.35	21.89
	Euro	0.30	20.44	-	-
	GBP	0.25	25.63	-	-
International Finance Corporation-ECB	USD	-	-	-	-
State Bank of India	USD	-	-	-	-
Working Capital	USD	21.20	1,316.35	34.91	2,069.97

Notes to Consolidated Financial Statements

NOTE 33 : There are no dues outstanding to Micro and Small Enterprise as per MSME Development Act, 2006. (contd.)

Particular	Nature of Currency	2014-15		2013-14	
		Amount in Foreign Currency in Millions	₹ In Million	Amount in Foreign Currency in Millions	₹ In Million
OUTFLOW					
Raw Material	USD	4.84	295.66	11.53	705.66
	Euro	0.12	9.37	0.81	63.51
Capital Goods	USD	-	-	-	-
Travelling	GBP	0.00	0.05		
	USD	0.05	3.61	0.05	3.52
	Euro	0.05	3.61	0.03	2.09
	SGD	-	-	0.00	0.01
Foreign Company Term Loan & Interest	USD	6.02	382.40	6.90	424.87
Others (Analytical Charges, Legal Opinion charges, Registration charges, Commission etc)	USD	0.06	3.48	2.46	0.03
	Euro	0.01	0.62	-	-
Bank charges	USD	0.01	0.85	0.91	0.02
	Euro	0.00	0.17	-0.00	-0.00
Working Capital	USD	29.49	1,808.62	28.42	1,696.82

NOTE 34 : Earnings Per Share:

₹ in Millions

Particulars	2014-15	2013 - 14
Net profit after tax	720.50	663.94
Weighted Average Numbers of shares (Nos.)	1,62,03,783	1,62,03,783
Basic EPS (₹)	44.47	40.97
Diluted EPS (₹)	44.47	40.97

NOTE 35 :

Segment wise Information is furnished in Annexure -A.

NOTE 36 :

The advance given by the Company to Yantra Green Power Private Limited amounting to ₹25 million pertaining to previous years is now treated as an investment in Yantra Green Power Pvt Ltd.



Notes to Consolidated Financial Statements

NOTE 37 :

The Company has filed a merger petition before Honourable High Court of Karnataka for amalgamating of its four 100% subsidiary Companies namely:

- Octtantis Nobel Labs Private Limited
- Klar Sehen Private Limited

The Company has filed a merger petition before Honourable High Court of Mumbai for amalgamating of its four 100% subsidiary Companies namely:

- Creative Health Care Private Limited
- Vivimed Labs (Alathur) Private Limited

The scheme of amalgamation would be in accordance with the "Amalgamation by Purchase" referred in Accounting Standard-14.

As per the scheme of amalgamation the effective date of amalgamation is 1st April 2014. The Amalgamation petition is pending before Honourable High Court of Karnataka and High Court of Mumbai for the year ending 31st March 2015.

NOTE 38 :

Previous year's numbers have been regrouped, rearranged, recasted, wherever necessary to confirm to Current Year Classification.

NOTE 39 :

The numbers have been rounded off to the nearest millions of rupees.

AS PER OUR REPORT OF EVEN DATE

For P. Murali & Co.,

Firm Regn. No: 007257S
Chartered Accountants

Sd

P. Murali Mohana Rao

Partner

M.No. 023412

Place : Hyderabad

30.05.2015

For Vivimed Labs Limited

Sd

Santosh Varalwar

CEO & Managing Director

Yugandhar Kopparchy

Company Secretary

Sd

Manohar Rao Varalwar

Whole time director

FORM AOC - 1

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

(Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)

Part- A- Subsidiaries

(₹)

Sl. No.	Name of the Subsidiary Company & Address	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Tax Expense/ (Benefit)	Profit/ (Loss) after Taxation	Proposed Dividend
1	Creative Health Care Private Limited 130,1st Floor , Shanta Industrial Estate, I B Patel Road, Goregoan E Mumbai -63	-	25,000,000	319,505,916	860,377,327	860,377,327	-	861,108,776	71,409,910	6,927,470	64,482,440	-
2	Klarsehen Private Limited 60A, Ashoke Avenue Kolkata 700 040	-	6,998,000	223,945,870	361,860,396	361,860,396	-	313,682,065	55,374,763	1,72,29,053	38,145,710	-
3	Occtantis Nobel Labs Private Limited Plot No. 1303 & 1304, Sy No 11/27, Khanamet, Madhapur, Hyderabad – 500081	-	23,000,000	(63,092,034)	107,310,129	107,310,129	-	-	(4,140,317)	(4,140,317)	-	-
4	Vivimed Labs (Alathur) Private Limited 130, Shanta Industrial Estate, 1st floor, I. B. Patel Road, Goregaon East, Mumbai, Maharashtra, INDIA – 400063	-	501,700,000	457,230,069	1,267,490,275	1,267,490,275	-	281,309,021	(85,423,615)	(3,01,24,283)	(55,299,332)	-
5	Finoso Pharma Private Limited 450 Alexandria Knowledge Park Turkcapally, Hyderabad 500078	-	30,150,000	7,496,119	76,758,319	76,758,319	-	63,430,480	183,567	(55330)	238,897	-

Sl. No.	Name of the Subsidiary Company & Address	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Tax Expense/ (Benefit)	Profit/ (Loss) after Taxation	Proposed Dividend
6	Vivimed Holdings Limited Rooms 2702-03, 27/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong	-	65,685	(246,131,529)	1,149,402,539	1,149,402,539	895,435,137		(15,069,569)	-	(15,069,569)	-
7	Vivimed Labs Europe Limited PO BOX B3, Leeds Road, Huddersfield, HD1 6BU	-	8,179,920	661,149,362	1,532,126,842	1,532,126,842	-	1,153,917,861	182,341,478	36,290,401.58	146,051,077	-
8	Vivimed Labs USA Inc 1100 Cornwall Road, Suite 160, Monmouth Junction, NJ 08852	-	512	264,860,332	1,009,857,119	1,009,857,119	-	484,057,783	6,414,668	(508,220)	6,922,887	-
9	Vivimed Labs Mauritius Limited C/o First Island Trust Company Ltd, ST. James Court, Suite 308, ST. Denis Street, Port Louis, Mauritius	-	460,413,616 (Equity) 639,456,250 (Preference)	66,031,830	1,906,488,648	1,906,488,648	639,456,250	-	3,843,947	-	3,843,947	-
10	Vivimed Labs UK Limited PO BOX B3, Leeds Road, Huddersfield, HD1 6BU	-	639,456,250	8,655,655	1,908,710,126	1,908,710,126	642,784,533	-	(21,575,615)	-	(21,575,615)	-
11	Vivimed Labs Spain S.L c/ Mallorca, 262, 3º -08008 BARCELONA-SPAIN-	-	642,784,533	(421,298,122)	3,177,774,251	3,177,774,251	285,971,266	-	(106,145,252)	(68,933,256)	(37,211,995)	-
12	Union Quimico Farmaceutica S.A.U c/ Mallorca, 262, 3º -08008 BARCELONA-SPAIN-	-	209,873,061	2,575,804,947	4,617,658,253	4,617,658,253	-	5,240,732,614	345,105,661	2,603,996	319,101,665	-

Sl. No.	Name of the Subsidiary Company & Address	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Taxation	Tax Expense/(Benefit)	Profit/(Loss) after Taxation	Proposed Dividend
13	Holiday International Limited PO BOX B3, Leeds Road, Huddersfield, HD1 6BU	-	9,346	964,538,079	1,022,668,780	1,022,668,780	807,850,687	-	12,165,935	2,464,844	9,701,090	-
14	Uquifa Mexico S.A DE CV 37 Este, No 126, CivaC, 62570 Jiutepec, Morelos, México	-	133,793,113	1,005,244,865	1,561,473,030	1,561,473,030	-	1,806,973,835	88,336,198	1,23,76,043	75,960,155	-

Part B- Associates and Joint Ventures

(₹ in Thousands)

Sl. No.	Name of the Subsidiary Company & Address	Reporting period for the Associate concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense/(Benefit)	Profit/(Loss) after Taxation	Proposed Dividend
1	Yantra Green Power Pvt. Ltd., Plot No.1303&1304, 2nd Floor, Khanamet, Ayyappa Society, Madhapur, Hyderabad-500081		135000000	(155000)	279606041	333868144	Nil	NA (Project is under constructions)	-152000	NA	-155000	NIL

On behalf of the Board of Directors
for Vivimed Labs Limited

Sd/-
Manohar Rao V
Whole Time Director

Sd/-
Santosh Varalwar
Managing Director & CEO

Place : Hyderabad
Date : 14/8/2015



Part C. Particulars of Loans, Guarantees or Investments made during the year under Section 186

₹ (Millions)

Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Date of making loan/ acquisition / giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/ Unlisted entities)	Amount of loan/ security/ acquisition / guarantee	Time period for which it is made/ given	For loans	
					Rate of interest	Date of maturity
(1)	(2)	(3)	(4)	(5)	(7)	(8)
Acquisition		Yantra Green Power Pvt Ltd	25.00	NA	NA	NA
Loans	30.01.2015	Creative Health Care Private Limited (USL)	39.07	NA	NIL	NIL
Loans	13.12.2014	Creative Health care Pvt Ltd	39.07	NA	NIL	NA
Guarantee / Security	05.03.2015	Creative Health care Pvt Ltd (Lender - Axis Bank)	115	Upto the repayment of the Loan	NA	NA
Guarantee / Security	13.12.2014	Creative Health care Pvt Ltd (Lender - Bank of Baroda)	81	Upto the repayment of the Loan	NA	NA
Guarantee / Security	25.09.2014	Klar Sehen Pvt Ltd (Lender - State bank of Hyderabad)	57.5	Upto the repayment of the Loan	NA	NA
Guarantee / Security	01.07.2014	Vivimed Labs (Alathur) Pvt Ltd (Lender - State bank of Hyderabad)	140	Upto the repayment of the Loan	NA	NA
Guarantee / Security	29.09.2014	Vivimed Labs UK Ltd (Lender - Axis Bank)	671	Upto the repayment of the Loan	NA	NA
Guarantee / Security	13.12.2014	Finoso Pharma Pvt Ltd (Lender – SBH)	45	Upto the repayment of the Loan	NA	NA

• All are direct or indirect wholly owned subsidiaries of the company

On behalf of the Board of Directors
for Vivimed Labs Limited

Place : Hyderabad

Date : 14/8/2015

Managing Director & CEO

Whole time Director



NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of Vivimed Labs Limited will be held on Wednesday, 30th , September 2015 at 11.30 a.m. at 78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka State to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Stand alone Balance Sheet as at March 31, 2015, Statement of Profit and Loss for the Financial Year ended on March 31, 2015, Cash Flow Statement for the Financial Year ended March 31, 2015 and reports of Directors and Auditors thereon.
2. To receive, consider and adopt the Consolidated Balance Sheet as at March 31, 2015, Statement of Profit and Loss for the Financial Year ended on March 31, 2015, Cash Flow Statement for the Financial Year ended March 31, 2015 and Report of Auditors thereon.
3. To appoint a Director in place of Mr. Srinivas Chidambaram, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sandeep Varalwar , who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. S.Raghuandan, who retires by rotation and being eligible offers himself for re-appointment.
6. **Appointment of Auditors**
To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s.P.Murali & Co. Hyderabad, Chartered Accountants, (Registration No. 007257S), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 29 th Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to fix the Remuneration of the Auditors.”

Special Business:

7. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act and Clause 49 of Listing Agreement, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Mrs.Umanath Varahabhotla (DIN:06539204), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria of independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director (Woman Director) of the Company, for a period of for five consecutive years from September 30, 2015 up to 32nd Annual General Meeting to be held in calendar year 2020 and she shall not be liable to retire by rotation.”

8. To re-appoint Mr. Santosh Varalwar as Managing Director & Chief Executive Officer of the Company in terms of provisions of Sections 196, 197, 203 read with schedule V to the Companies Act, 2013, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to such other approvals and consents as may be necessary including the approval of the Central Government, the consent of the members be and is hereby accorded for the reappointment of Mr. Santosh Varalwar (holding DIN 00054763), as Managing Director & Chief Executive Officer of the Company, being a director not liable to retire by rotation, for a period of five years effective from 14th August, 2015 on a remuneration inclusive of all perquisites and allowances aggregating to ₹120 lakhs per annum (for each financial year) and in addition, commission on net profits provided however, that the said salary, commission and all perquisites together shall not exceed



2(two) percent of the net profits of the of Company calculated in accordance with the procedure laid down under section 198 of the Companies Act, 2013

RESOLVED FURTHER THAT the aggregate of above salary, perquisites and allowances taken together shall be subject to the overall ceilings laid down under Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr.Santosh Varalwar , the remuneration by way of salary, perquisites,commission or any other allowances as specified above and in accordance with the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT as Mr. Santosh Varalwar, Managing Director & Chief Executive Officer shall not be paid sitting fees for attending meetings of the Board of Directors or any Committee(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, ambiguity or doubt that may arise in relation thereto, in order to give effect to the foregoing resolution.

The limits of the remuneration specified above are the maximum limits and the Board / Nomination and Remuneration Committee at its discretion may revise the above limits within the maximum limits to comply with the requirements of sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act.

9. To re-appoint Mr.Manohar Rao Varalwar as Whole Time Director of the Company in terms of provisions of Sections 196, 197, 203 read with schedule V to the Companies Act, 2013, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to such other approvals and consents as may be necessary including the approval of the Central Government, the consent of the members be and is hereby accorded for the reappointment of Mr. Manohar Rao Varalwar (holding DIN. 00059815), as Whole Time Director of the Company, being a director liable to retire by rotation, for a period of five years effective from 14th August, 2015 on a remuneration inclusive of all perquisites and allowances aggregating to ₹120 lakhs per annum (for each financial year) and in addition, commission on net profits provided however, that the said salary, commission and all perquisites together shall not exceed 2(two) percent of the net

profits of the Company calculated in accordance with the procedure laid down under section 198 of the Companies Act, 2013

RESOLVED FURTHER THAT the aggregate of above salary, perquisites and allowances taken together shall be subject to the overall ceilings laid down under Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr.Manohar Rao Varalwar , the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT as Mr. Manohar Rao Varalwar, Whole Time Director shall not be paid sitting fees for attending meetings of the Board of Directors or any Committee(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, ambiguity or doubt that may arise in relation thereto, in order to give effect to the foregoing resolution.

The limits of the remuneration specified above are the maximum limits and the Board / Nomination and Remuneration Committee at its discretion may revise the above limits within the maximum limits to comply with the requirements of sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act.

10. To re-appoint Mr.Subhash Varalwar as Whole Time Director of the Company in terms of provisions of Sections 196, 197, 203 read with schedule V to the Companies Act, 2013, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to such other approvals and consents as may be necessary including the approval of the Central Government, the consent of the members be and is hereby accorded for the reappointment of Mr.Subhash Varalwar (holding DIN. 00054789), as Whole Time Director of the Company, being a director liable to retire by rotation, for a period of five years effective from 14th August, 2015 on a remuneration inclusive of all perquisites and allowances aggregating to ₹120 lakhs per annum (for each financial year) and in addition, commission on net profits provided however, that the said salary, commission and all perquisites together shall not exceed 2(two) percent of the net profits of the Company calculated in accordance with the procedure laid down under section 198 of the Companies Act, 2013



RESOLVED FURTHER THAT the aggregate of above salary, perquisites and allowances taken together shall be subject to the overall ceilings laid down under Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr.Subhash Varalwar, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT as Mr.Subhash Varalwar, Whole Time Director shall not be paid sitting fees for attending meetings of the Board of Directors or any Committee(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, ambiguity or doubt that may arise in relation thereto, in order to give effect to the foregoing resolution.

The limits of the remuneration specified above are the maximum limits and the Board / Nomination and Remuneration Committee at its discretion may revise the above limits within the maximum limits to comply with the requirements of sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act.

11. To re-appoint Mr.Sandeep Varalwar as Whole Time Director of the Company in terms of provisions of Sections 196, 197, 203 read with schedule V to the Companies Act, 2013, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to such other approvals and consents as may be necessary including the approval of the Central Government, the consent of the members be and is hereby accorded for the reappointment of Mr.Sandeep Varalwar (holding DIN. 01682951), as Whole Time Director of the Company, being a director liable to retire by rotation, for a period of five years effective from 14th August, 2015 on a remuneration inclusive of all perquisites and allowances aggregating to ₹120 lakhs per annum (for each financial year) and in addition, commission on net profits provided however, that the said salary, commission and all perquisites together shall not exceed 2(two) percent of the net profits of the Company calculated in accordance with the procedure laid down under section 198 of the Companies Act, 2013

RESOLVED FURTHER THAT the aggregate of above salary, perquisites and allowances taken together shall be subject to the

overall ceilings laid down under Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr.Sandeep Varalwar, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT as Mr.Sandeep Varalwar, Whole Time Director shall not be paid sitting fees for attending meetings of the Board of Directors or any Committee(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, ambiguity or doubt that may arise in relation thereto, in order to give effect to the foregoing resolution.

The limits of the remuneration specified above are the maximum limits and the Board / Nomination and Remuneration Committee at its discretion may revise the above limits within the maximum limits to comply with the requirements of sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act.

12. To re-appoint Mr.S.Raghubandan as Whole Time Director of the Company in terms of provisions of Sections 196, 197, 203 read with schedule V to the Companies Act, 2013, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to such other approvals and consents as may be necessary including the approval of the Central Government, the consent of the members be and is hereby accorded for the reappointment of Mr.S.Raghubandan (holding DIN. 02029812), as Whole Time Director of the Company, being a director liable to retire by rotation, for a period of five years effective from 14th August, 2015 on a remuneration inclusive of all perquisites and allowances aggregating to ₹120 lakhs per annum (for each financial year) and in addition, commission on net profits provided however, that the said salary, commission and all perquisites together shall not exceed 1(one) percent of the net profits of the Company calculated in accordance with the procedure laid down under section 198 of the Companies Act, 2013

RESOLVED FURTHER THAT the aggregate of above salary, perquisites and allowances taken together shall be subject to the overall ceilings laid down under Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013.



RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. S. Raghunandan, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT as Mr. S. Raghunandan, Whole Time Director shall not be paid sitting fees for attending meetings of the Board of Directors or any Committee(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, ambiguity or doubt that may arise in relation thereto, in order to give effect to the foregoing resolution.

The limits of the remuneration specified above are the maximum limits and the Board / Nomination and Remuneration Committee at its discretion may revise the above limits within the maximum limits to comply with the requirements of sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act.

13. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 read with all applicable rules including the Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or re-enactment thereof for the time being in force), M/s.A.S.Rao & Co, Cost Accountants appointed by the Board of Directors of the Company to audit the cost records of pharmaceutical products manufactured by the Company for the financial year ending 31st March 2016, be paid a remuneration of ₹1,00,000 plus applicable taxes as well as the reimbursement of out of pocket expenses incurred for the purpose of cost audit.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By order of the Board
for Vivimed Labs Limited**

Hyderabad
August 14, 2015

K. Yugandhar
Company Secretary

NOTES

1. The Explanatory Statement pursuant to provisions of section 102 of the Companies Act, 2013 and rules made thereunder, in respect of the business under item Nos. 7 to 13 of the Notice is annexed hereto.
2. The Register of Members and Share Transfer Books will remain closed from September 26, 2015 to September 30, 2015 [both days inclusive] for the purpose of Annual General Meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 [fifty] and holding in the aggregate not more than ten per cent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies,

etc. must be supported by an appropriate resolution / authority together with specimen signature, as applicable.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/authorization document authorising their representative to attend and vote on their behalf at the Meeting.
5. Those members who have not encashed their dividend warrants pertaining to the following financial years are requested to approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund [IEPF] on the respective dates mentioned there against pursuant to provisions of section 205[C] of the Companies Act, 1956 and provisions of section 125 of the Companies Act, 2013, when notified by the Central Government and rules proposed to be prescribed by the Central Government. Members are requested to note that after such date, the members will lose their rights to claim such dividend unless the provisions of section 125 of the Companies Act, 2013 are notified by the Central Government.

Accounting Year ended	Date of declaration of dividend	Dividend payment %	Expected date of dividend transfer of unpaid dividend to IEPF Account
March 31, 2008	27 Sep 2008	10%	27 sep 2015
March 31, 2009	30 Sep 2009	15%	30 Sep 2016
March 31, 2010	18 Sep 2010	15%	18 Sep 2017
March 31, 2011	30 Sep 2011	20%	30 Sep 2018
March 31, 2012	27 Sep 2012	30%	27 Sep 2019
March 31, 2013	30 Sep 2013	30%	30 Sep 2020
March 31, 2014	30 Sep 2014	30%	30 Sep 2021

The Shareholders who have not encashed the aforesaid dividend are requested to make their claim to the Secretarial Department, Vivimed Labs Limited, 2nd Floor, Veeranag Towers, Habsiguda, Hyderabad - 500007, Telangana State, India, e-mail: Yugandhar.Kopparthi@vivimedlabs.com.

6. Members holding shares in physical form are requested to intimate Registrar and Transfer Agent of the Company viz., M/s Aarthi Consultants Pvt. Ltd. [Unit: Vivimed Labs Limited], 1-2-285, Domalaguda, Hyderabad - 500 029, changes, if any, in their registered address along with pin code number. Members holding shares in electronic form shall update such details with their respective Depository Participant.
7. The Company do not have demat suspense account.
8. The Securities and Exchange Board of India ("SEBI") and the Ministry of Corporate Affairs have made it mandatory for all the Listed Companies to offer Electronic Clearing Service ("ECS") facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders account, elimination of loss of instruments in transit or fraudulent encashment, etc.

In view of the above:

 - a. Shareholders holding shares in Physical Form and desirous of availing the facility are requested to complete ECS form and forward the same to the Company's Registrar and Share Transfer Agent M/s. Aarthi Consultants Pvt Ltd , 1-2-285, Domalaguda, Hyderabad - 500029, Telangana State, India.
 - b. Shareholders holding shares in Dematerialized Form are requested to provide the Bank details to their Depository Participants for incorporation in their records.
9. Details under clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking re-appointment/ appointment at the Annual General Meeting is provided at Annexure - A to this Notice.
10. Notice of the Twenty Seventh Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members, whose email Ids are registered with the Company or Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Twenty Seventh Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
11. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

Members may also note that the Notice of the Twenty Seventh Annual General Meeting and the Annual Report will also be available on the Company's website www.vivimedlabs.com for their download. The physical copies of the documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id yugandhar.kopparthi@vivimedlabs.com
12. **Voting through electronic means:**

In compliance with provisions of section 108 of the Companies Act, 2013 read with the Companies [Management and Administration] Rules, 2014 and in compliance of clause 35B of Listing Agreement with the Stock Exchanges, the Company is providing e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. The detailed process, instructions and manner for availing e-voting facility is provided in the Annexure - B to this Notice.
13. **Proxy shall not vote, except on a poll.**

Request to the members:

 1. Members desiring any relevant information on the accounts at the Annual General Meeting are requested to write to the Company at least seven days in advance of the date of Annual General Meeting at its Registered Office, so as to enable the Company to keep the information ready.
 2. Members are requested to bring their copy of the Annual Report to the Meeting.



14. General Instructions:

- (i) Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes using the poll paper to be provided at the Venue of the meeting .
- (ii) Members may alternatively opt for e-voting.
- (iii) In the event, a member casts his votes through both the processes i.e. e-voting and poll paper, the votes in the electronic system would be considered and the poll paper would be ignored.
- (iv) The E-voting period commences from 10:00 a.m. on Saturday, September 26, 2015 and ends at 6:00 p.m. on Tuesday, September 29, 2015. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of September 18, 2015 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (v) The Company has appointed Mr.N.V.S.S Rao, Practicing Company Secretary (Membership No.5868, CP No.2886), having address as Plot No 232B, Road No. 6, Samathapuri Colony, New Nagole, Hyderabad- 500035 as the Scrutinizer to the voting process (e-voting and poll) in a fair and transparent manner.
- (vi) The Scrutinizer shall, within a period not exceeding two (2) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (vii) In the event of a poll, please note that the members who have exercised their right to vote by electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting shall be counted for the purpose of passing of resolution(s).
- (viii) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the Twenty Seventh Annual General Meeting of the Company scheduled to be held Wednesday, 30th , September 2015. The results declared along with the Scrutinizer's Report shall be placed on the Company's website(www.vivimedlabs.com, www.evotingindia.com and on the website of Aarthi Consultants Pvt Ltd.

Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act")

Item No. 7

Mrs.Umanath Varahabhotla (DIN:06539204), was appointed as an Additional Director of the Company w.e.f. March 21, 2015 by the Board of Directors under section 161 of the Companies Act, 2013. The appointment is subject to the approval of the shareholders at the General Meeting to be held immediately after the said appointment.

A notice along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 has been received from one of the member of the Company proposing candidature of Mrs.Umanath Varahabhotla, who has given a declaration to the Board that she meets the criteria of independence as provided under Section 149 of the Act.

In the opinion of the Board, Mrs.Umanath Varahabhotla fulfills the conditions specified in the Act and the Rules framed thereunder and Clause 49 of the Listing Agreement for appointment as an Independent Director and she is independent of the management.

The Resolution set out at Item No.7 of the notice is put forth for consideration of the members as an ordinary resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Mrs.Umanath Varahabhotla as an Independent

Director.

The terms and conditions of appointment of Mrs.Umanath Varahabhotla shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Item No.8

During his tenure as MD&CEO, Mr.Santosh Varalwar has played an active role in VVS Pharmaceuticals from the year 1985 and later on expanded the business to manufacture of APIs by acquiring EMGI Pharmaceuticals and Chemicals Private

Limited, Bidar, which was later converted into a public limited company and named as Vivimed Labs Limited. Vivimed Labs Limited was listed on BSE/NSE in the year 2005 and the public issue was all time success having been oversubscribed 40 times. Since then, he steered the Company to various successful milestones and aptly merged VVS Pharmaceuticals in the year to consolidate and create a global entity. In the years 2008 and 2009 under his leadership, the Company successfully acquired two overseas companies namely James Robinson Europe Limited (now Vivimed Labs Europe Limited, UK) and Har – Met International Inc, US. In November, 2011, Mr Santosh Varalwar successfully led USD 55 million of the 75-year old



prestigious Barcelona, Spain based API firm Uquifa. In the year 2013, acquired two Indian companies namely Vivimed Labs (Alathur) Pvt Ltd and Finoso Pharma Pvt Ltd.

In view of his expertise and managerial abilities, Mr. Santosh Varalwar was re-appointed as an MD&CEO by the members in the 22nd Annual General Meeting held on 18th September 2010 for a period of five years w.e.f.14th August 2010. The current term of office of Mr. Santosh Varalwar as an MD&CEO expires on 13th August 2015. Considering the commitment consistently shown and results exhibited, the Board of Directors on the recommendation of the Nomination and Remuneration Committee, has decided to re-appoint Mr. Santosh Varalwar as an MD&CEO of the Company for a further period of 5 (five) years effective from 14th August 2015. The re-appointment of Mr.Santosh Varalwar is appropriate and in the best interest of the Company for the results shown and the efforts made by him to the improvement of the sales more particularly the expansion of markets abroad. The approval of the members is being sought to the terms and conditions of the re-appointment of Mr. Santosh Varalwar as an MD&CEO and the remuneration payable to him. The re-appointment of Mr.Santosh Varalwar as an MD&CEO is subject to necessary approvals if any .

In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Santosh Varalwar, the remuneration by way of salary, perquisites, commission or any other allowances in accordance with the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the re-appointment of Mr.Santosh Varalwar as an MD&CEO of the Company for a period of five years commencing from 14th August 2015

The Board recommends the Special Resolution set forth in Item No. 8 for approval of the Members.

Mr. Manohar Rao Varalwar, Mr Sandeep Varalwar and Mr Subhash Varalwar and Mr. Santosh Varalwar, Directors along with their relatives are deemed to be concerned or interested in the proposed Resolution. Save and except the above, none of the other Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, are in any way concerned or interested financially or otherwise in the proposed Resolution

Item No.9

During his tenure as a WTD , Mr.Manohar Rao Varalwar has conceptualised and started VVS Pharmaceuticals and Chemicals Pvt. Ltd. (VVS), (Now stands merged with Vivimed Labs Limited). He is mainly responsible for developing a Sophisticated and well-equipped in-house Quality Control and introduced various cost control systems in production process.

In view of his expertise, Mr. Manohar Rao Varalwar was re-appointed as a WTD by the members in the 22nd Annual General

Meeting held on 18th September 2010 for a period of five years w.e.f.14th August 2010. The current term of office of Mr.Manohar Rao Varalwar as a WTD expires on 13th August 2015. Considering the commitment consistently shown and results exhibited, the Board of Directors on the recommendation of the Nomination and Remuneration Committee, has decided to re-appoint Mr.Manohar Rao Varalwar as a WTD of the Company for a further period of 5 (five) years effective from 14th August 2015. The re-appointment of Mr.Manohar Rao Varalwar is appropriate and in the best interest of the Company. The approval of the members is being sought to the terms and conditions of the re-appointment of Mr. Manohar Rao Varalwar as WTD and the remuneration payable to him. The re-appointment of Mr.Manohar Rao Varalwar as a WTD is subject to necessary approvals if any .

In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Manohar Rao Varalwar , the remuneration by way of salary, perquisites, commission or any other allowances in accordance with the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the re-appointment of Mr.Manohar Rao Varalwar as a WTD of the Company for a period of five years commencing from 14th August 2015

The Board recommends the Special Resolution set forth in Item No. 9 for approval of the Members.

Mr. Manohar Rao Varalwar, Mr Sandeep Varalwar and Mr Subhash Varalwar and Mr. Santosh Varalwar, Directors along with their relatives are deemed to be concerned or interested in the proposed Resolution. Save and except the above, none of the other Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, are in any way concerned or interested financially or otherwise in the proposed Resolution

Item No.10

During his tenure as a WTD , Mr.Subhash Varalwar is responsible for Technology and New Product

Development in the chemical segment of the Company. He also heads Production, Quality control and R&D function. He successfully led the technical integration teams of UK/India after acquisition of James Robinson Limited and has successfully implemented the stringent regulatory compliances across all its manufacturing operations globally.

In view of his expertise, Mr. Subhash Varalwar was re-appointed as a WTD by the members in the 22nd Annual General Meeting held on 18th September 2010 for a period of five years w.e.f.14th August 2010. The current term of office of Mr.Subhash Varalwar as a WTD expires on 13th August 2015. Considering the commitment consistently shown and results exhibited, the Board of Directors



on the recommendation of the Nomination and Remuneration Committee, has decided to re-appoint Mr. Subhash Varalwar as a WTD of the Company for a further period of 5 (five) years effective from 14th August 2015. The re-appointment of Mr. Subhash Varalwar is appropriate and in the best interest of the Company. The approval of the members is being sought to the terms and conditions of the re-appointment of Mr. Subhash Varalwar as a WTD and the remuneration payable to him. The re-appointment of Mr. Subhash Varalwar as a WTD is subject to necessary approvals if any.

In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Subhash Varalwar, the remuneration by way of salary, perquisites, commission or any other allowances in accordance with the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the re-appointment of Mr. Subhash Varalwar as a WTD of the Company for a period of five years commencing from 14th August 2015

The Board recommends the Special Resolution set forth in Item No. 10 for approval of the Members.

Mr. Manohar Rao Varalwar, Mr. Sandeep Varalwar and Mr. Subhash Varalwar and Mr. Santosh Varalwar, Directors along with their relatives are deemed to be concerned or interested in the proposed Resolution. Save and except the above, none of the other Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, are in any way concerned or interested financially or otherwise in the proposed Resolution

Item No.11

During his tenure as a WTD, Mr. Sandeep Varalwar is the main strength behind the growth of Pharma division of the Company and took an active role in VVS Pharmaceuticals and Chemicals Pvt Ltd. After the Company's merger with Vivimed Labs Limited, Mr. Sandeep is appointed as a whole time Director on the Board of Vivimed Labs Limited

In view of his expertise, Mr. Sandeep Varalwar was re-appointed as a WTD by the members in the 22nd Annual General Meeting held on 18th September 2010 for a period of five years w.e.f. 14th August 2010. The current term of office of Mr. Sandeep Varalwar as a WTD expires on 13th August 2015. Considering the commitment consistently shown and results exhibited, the Board of Directors on the recommendation of the Nomination and Remuneration Committee, has decided to re-appoint Mr. Sandeep Varalwar as a WTD of the Company for a further period of 5 (five) years effective from 14th August 2015. The re-appointment of Mr. Sandeep Varalwar is appropriate and in the best interest of the Company. The approval of the members is being sought to the terms and conditions of the re-appointment of Mr. Sandeep Varalwar as a WTD

and the remuneration payable to him. The re-appointment of Mr. Sandeep Varalwar as a WTD is subject to necessary approvals if any.

In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Sandeep Varalwar, the remuneration by way of salary, perquisites, commission or any other allowances in accordance with the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the re-appointment of Mr. Sandeep Varalwar as a WTD of the Company for a period of five years commencing from 14th August 2015

The Board recommends the Special Resolution set forth in Item No. 11 for approval of the Members.

Mr. Manohar Rao Varalwar, Mr. Sandeep Varalwar and Mr. Subhash Varalwar and Mr. Santosh Varalwar, Directors along with their relatives are deemed to be concerned or interested in the proposed Resolution. Save and except the above, none of the other Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, are in any way concerned or interested financially or otherwise in the proposed Resolution

Item No.12

During his tenure as a WTD, Mr. S. Raghunandan is the Head of production at Bidar Plant and subsequently rose to the position of Director- Operations. His association with the Company is now of more than 20 years.

In view of his expertise, Mr. S. Raghunandan was re-appointed as a WTD by the members in the 22nd Annual General Meeting held on 18th September 2010 for a period of five years w.e.f. 14th August 2010. The current term of office of Mr. S. Raghunandan as a WTD expires on 13th August 2015. Considering the commitment consistently shown and results exhibited, the Board of Directors on the recommendation of the Nomination and Remuneration Committee, has decided to re-appoint Mr. S. Raghunandan as a WTD of the Company for a further period of 5 (five) years effective from 14th August 2015. The re-appointment of Mr. S. Raghunandan is appropriate and in the best interest of the Company. The approval of the members is being sought to the terms and conditions of the re-appointment of Mr. Sandeep Varalwar as a WTD and the remuneration payable to him. The re-appointment of Mr. S. Raghunandan as a WTD is subject to necessary approvals if any.

In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. S. Raghunandan, the remuneration by way of salary, perquisites, commission or any other allowances in accordance with the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.



The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the re-appointment of Mr. S. Raghunandan as a WTD of the Company for a period of five years commencing from 14th August 2015

The Board recommends the Special Resolution set forth in Item No. 12 for approval of the Members.

Mr. S. Raghunandan, Director along with their relatives are deemed to be concerned or interested in the proposed Resolution. Save and except the above, none of the other Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, are in any way concerned or interested financially or otherwise in the proposed Resolution

Item No.13

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the appointment of M/s.A.S.Rao & Co (ASR) as the Cost Auditors of the Company to

conduct audit of cost records maintained by the Company for the Financial Year 2015-16, at a remuneration of ₹100,000/- plus service tax and actual out of pocket expenses.

ASR have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the previous year under the provisions of the Companies Act, 1956

The Board commends the Resolution at Item No. 13 of the accompanying Notice for ratification by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No.13 of the accompanying Notice.

**By order of the Board
for Vivimed Labs Limited**

Hyderabad
August 14, 2015

K. Yugandhar
Company Secretary



Annexure A

Details of Director seeking re-appointment/appointment at the forthcoming Annual General Meeting (Pursuant to clause 49 of the Listing Agreement)

Name of the Director	Mrs. UMANATH VARAHABHOTLA
Age	53 years
Date of Appointment on the Board	21/3/2015
Brief resume and nature of expertise in functional areas	Mrs.Umanath Varahabhotla aged 53 years is a Doctorate (Ph.D) in Business Administration, She has 27+ years of experience in Healthcare, Hospital systems management, Corporate Social Responsibility. Creating organizational systems, processes and SoPs from Conceptualization to Operationalization for piloting and scaling-up of strategically important initiatives.. Acknowledged to have built organizations and people,Start-up incubator for LVP, EMRI, ELBIT, Health & CSR at Athena Energy.
Directorships held in other Public Companies (excluding foreign and private Companies)	Nil
Memberships / Chairmanships of Committees across public Companies	Nil
	Nil
Name of the Director	Dr. Manohar Rao Varalwar
Age	78 years
Date of Appointment on the Board	10/11/1994
Brief resume and nature of expertise in functional areas	Dr. V. Manohar Rao aged 78 years, Retired as Joint Director of "The Veterinary Biological and Research Institute" (VBRI) has done his post-graduation in Veterinary Sciences from Edinburgh University, U.K. He has more than 31 years experience in The Municipal Corporation of Hyderabad and Department of Animal Husbandry, Government of Andhra Pradesh. During his tenure with Department of Animal Husbandry, he was involved in administration and production of various vaccines for livestock and poultry. He worked as a special officer for Meat and Poultry Department Corporation Andhra Pradesh Government Enterprises. He conceptualised and started VVS Pharmaceuticals and Chemicals Pvt. Ltd. (VVS), (Now stands merged with Vivimed Labs Limited). He is mainly responsible for developing a Sophisticated and well-equipped in-house Quality Control and introduced various cost control systems in production process. His expertise, knowledge and vision helped VVS to transform from a Biological Processing Unit into a Pharmaceutical Manufacturing Unit for manufacturing of Liquid Orals, Tablets, Capsules, Ointments etc.
Directorships held in other public Companies (excluding foreign and private Companies)	Nil
Memberships / Chairmanships of Committees across public Companies	Committee Memberships: Stake holders Relationship, Grievance and Share Transfer Committee of Vivimed Labs Limited
Shareholding of Executive Director	5,89,071 equity shares
Name of the Director	Mr. Santosh Varalwar
Age	53 years
Date of Appointment on the Board	09/11/1989

Brief resume and nature of expertise in functional areas	<p>Mr. Santosh Varalwar aged 53 years is a Management Graduate. He is the driving force behind the phenomenal growth of Vivimed Labs Limited. He worked in Shipping Corporation of India (SCI) and had an opportunity to understand in depth mercantile trade and had immense global exposure, which helped him subsequently to focus on international marketing.</p> <p>He served Mercantile Marine for about seven years before embarking on a highly successful entrepreneurial journey. He has played an active role in VVS Pharmaceuticals from the year 1985 and later on expanded the business to manufacture of APIs by acquiring EMGI Pharmaceuticals and Chemicals Private Limited, Bidar, which was later converted into a public limited company and named as Vivimed Labs Limited. Vivimed Labs Limited was listed on BSE/ NSE in the year 2005 and the public issue was all time success having been oversubscribed 40 times. Since then, he steered the Company to various successful milestones and aptly merged VVS Pharmaceuticals in the year to consolidate and create a global entity. In the years 2008 and 2009 under his leadership, the Company successfully acquired two overseas companies namely James Robinson Europe Limited (now Vivimed Labs Europe Limited, UK) and Har – Met International Inc, US. In November, 2011, Mr Santosh Varalwar successfully led USD 55 million of the 75-year old prestigious Barcelona, Spain based API firm Uquifa. In the year 2013, acquired two Indian companies namely Vivimed Labs (Alathur) Pvt Ltd and Finoso Pharma Pvt Ltd.</p>
Directorships held in other public Companies (excluding foreign and private Companies)	Nil
Memberships / Chairmanships of Committees across public Companies	Committee Memberships: Stake holders Relationship, Grievance and Share Transfer Committee of Vivimed Labs Limited
Shareholding of Executive Directors	12,69,810 equity shares
Name of the Director	Mr. Subhash Varalwar
Age	67 years
Date of Appointment on the Board	09/11/1989
Brief resume and nature of expertise in functional areas	<p>Mr. Subhash Varalwar, aged 67 years is a Post Graduate in Chemical Engineering and a Management Graduate from Leeds University, U.K. After his post graduation he joined The Fertilizer Corporation of India (FCI) in 1974 as Asst. Project Engineer (Chemical). He held various positions in FCI and worked on various areas like designing and commissioning of fertilizer plant, production etc. He resigned from FCI in 1989 to join Vivimed. Mr. Subhash brings along with him an exposure to various aspects of Industrial Management, including production, planning and commissioning, gained from 15 years of his career span with FCI. Mr. Subhash is responsible for Technology and New Product Development in the chemical segment of the Company. He also heads Production, Quality control and R&D function. He successfully led the technical integration teams of UK/India after acquisition of James Robinson Limited and has successfully implemented the stringent regulatory compliances across all its manufacturing operations globally.</p>
Directorships held in other public Companies (excluding foreign and private Companies)	Other Directorships : NIL
Memberships / Chairmanships of Committees across public Companies	Committee Memberships: NIL
Shareholding of Executive Directors	3,15,000 equity shares
Name of the Director	Mr. Varalwar Sandeep
Age	46 years
Date of Appointment on the Board	23/01/2008



Brief resume and nature of expertise in functional areas	Mr. Sandeep Varalwar, aged 46 years has completed his Graduation in B.Pharmacy. After completion of graduation, he gained more than two decades of rich experience in manufacturing and marketing divisions of Pharma industry. He is the main strength behind the growth of Pharma division of the Company and took an active role in VVS Pharmaceuticals and Chemicals Pvt Ltd. After the Companys merger with Vivimed Labs Limited, Mr.Sandeep is appointed as a whole time Director on the Board of Vivimed Labs Limited.
Directorships held in other public Companies (excluding foreign and private Companies)	Nil
Memberships / Chairmanships of Committees across public Companies	Committee Memberships: NIL
Shareholding of Executive Directors	6,12,193 equity shares

Name of the Director	Mr. S. Raghunandan
Age	54 years
Date of Appointment on the Board	23/01/2008
Brief resume and nature of expertise in functional areas	Mr.S.Raghunandan aged 54 years is a Science Post Graduate, he began his career with Chandra Pharmaceuticals, at that time the largest producer of Ibuprofen in India and worked there handling various aspects of production. He joined Vivimed as Head of production at Bidar Plant and subsequently rose to the position of Director- Operations. His association with the Company is now of more than 21 years.
Directorships held in other public Companies (excluding foreign and private Companies)	Other Directorships : NIL
Memberships / Chairmanships of Committees across public Companies	Committee Memberships: NIL
Shareholding of Executive Directors	63,500 equity shares

Name of the Director	Mr.Srinivas Chidambaram
Age	49 years
Date of Appointment on the Board	14/11/2011
Brief resume and nature of expertise in functional areas	Mr. Srinivas Chidambaram aged 49 years is a qualified Chartered Accountant, he is the Managing Director and CEO of Jacob Ballas Capital India Pvt. Ltd. (JBC), a leading India focused private equity firm based in New Delhi. JBC advises the investment managers of three India focused private equity funds with above \$600 million under management. Mr. Chidambaram joined JBC in 2005. He has 26 years of financial services and industry experience, including 17 years in private equity. He previously served with HSBC Private Equity (Asia) and its affiliates in Hong Kong and India, responsible for private equity investments in India and South East Asia. Mr. Chidambaram has also served in the IT industry with HCL Technologies, a leading Indian IT services company, responsible for financial institution relationships and strategic alliances in the USA. He commenced his career with SRF Finance Ltd. (since acquired by GE Capital) where he was responsible for Corporate Finance and Investment Banking, based in Mumbai.
Directorships held in other public Companies (excluding foreign and private Companies)	Other Directorships : 1. S.P.Apparels Limited 2. Religare Finvest Limited 3. SRL Limited
Memberships / Chairmanships of Committees across public Companies	Committee Memberships: Audit Committee: 1. Vivimed Labs Limited 2. SRL Limited
Shareholding of Director	NIL

Annexure B : E-Voting

The instructions for shareholders for voting electronically are as under:

- (i) The voting period begins from 10:00 a.m. on Saturday, September 26, 2015 and ends at 6:00 p.m. on Tuesday, September 29, 2015. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 18, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of VIVIMED LABS LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.



- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non - Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.



Vivimed

Vivimed Labs Limited

(CIN:L02411KA1988PLC009465)

Registered office: Plot No.78-A, Kolhar Industrial Area, Bidar, Karnataka 585403

Website : vivimedlabs.com, Tel: 040-27176005/6, Fax: 040-27150599

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):	_____
Registered address:	_____ _____
E-mail Id:	_____
Folio No/ Client Id:	_____
DP ID:	_____

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature: or failing him

2. Name:

Address:

E-mail Id:

Signature: or failing him

3. Name:

Address:

E-mail Id:

Signature: or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Seventh Annual general meeting of the company, to be held on the Wednesday, 30th , September 2015 at 11.30 a.m. at 78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka State and at any adjournment thereof in respect of such resolutions as are indicated below:



Sr. No.	Particulars of Resolution	Vote (Optional)	
		For	Against
Ordinary Business:			
1	To receive, consider and adopt the Stand alone Balance Sheet as at March 31, 2015, Statement of Profit and Loss for the Financial Year ended on March 31, 2015.		
2	To receive, consider and adopt the Consolidated Balance Sheet as at March 31, 2015, Statement of Profit and Loss for the Financial Year ended on March 31, 2015.		
3	Reappointment of Mr. Srinivas Chidambaram, Director retiring by rotation.		
4	Reappointment of Mr. Sandeep Varalwar, Director retiring by rotation.		
5	Reappointment of Mr. S. Raghunandan, Director retiring by rotation.		
6	Appointment of Statutory Auditors		
Special Business:			
7	To appoint Mrs.Umanath Varahabhotla , as an Independent Director of the Company.		
8	To re-appoint Mr. Santosh Varalwar as Managing Director & Chief Executive Officer of the Company.		
9	To re-appoint Mr.Manohar Rao Varalwar as Whole Time Director of the Company.		
10	To re-appoint Mr.Subhash Varalwar as Whole Time Director of the Company.		
11	To re-appoint Mr.Sandeep Varalwar as Whole Time Director of the Company.		
12	To re-appoint Mr.S.Raghunandan as Whole Time Director of the Company.		
13	To approve the remuneration payable to M/s.A.S.Rao & Co, Cost Accountants to audit the cost records for the financial year ending 31st March 2016.		

Signed this day of 2015

Signature of shareholder

Signature of Proxy holder(s)



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty Seventh Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.



Vivimed

Vivimed Labs Limited

(CIN:L02411KA1988PLC009465)

Registered office: Plot No.78-A, Kolhar Industrial Area, Bidar, Karnataka 585403

Website : vivimedlabs.com, Tel: 08482 - 232045, Fax: 08482 - 232436

ATTENDANCE SLIP

Twenty Seventh Annual General Meeting

I/We hereby record my/our presence at the **Twenty Seventh Annual General Meeting** of the Company at **78/A, Kolhar Industrial Area, Bidar, Karnataka – 585403** on **Wednesday, 30th , September 2015** at **11.30 a.m.**

Member's Folio/DP ID-Client ID No.

Member's/Proxy's name in Block

Member's/Proxy's Signature

Note:

1. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2014-15 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2014-15 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email address is not registered or have requested for a hard copy.



CORPORATE INFORMATION

Board of Directors

Mr. Santosh Varalwar	– <i>Managing Director & CEO</i>
Dr. V. Manohar Rao	– <i>Whole Time Director</i>
Mr. Subhash Varalwar	– <i>Whole Time Director</i>
Mr. Sandeep Varalwar	– <i>Whole Time Director</i>
Mr. S. Raghunandan	– <i>Whole Time Director</i>
Mr. P.V. Rathnam	– <i>Independent Director</i>
Prof. M. Bhagvanth Rao	– <i>Independent Director</i>
Dr. Peesapati Venkateswarlu	– <i>Independent Director</i>
Mr. Nixon Patel	– <i>Independent Director</i>
Mr. Srinivas Chidambaram	– <i>Nominee Director</i>
Mrs. Umanath Varahabhotla	– <i>Independent Director</i>

Company Secretary & Compliance Officer

Mr. Yugandhar Kopparthi

Statutory Auditors

M/s P. Murali & Co., Chartered Accountants
6-3-655/2/3, Somajiguda, Hyderabad – 500082

Secretarial Auditors

Mr. N.V.S.S. Rao,
Practicing Company Secretary
Plot No 232B, Road No. 6, Samathapuri Colony,
New Nagole, Hyderabad- 500035

Internal Auditors

Price Waterhouse Coopers Pvt. Ltd.
8-2-293/A/113/A, Road No. 36
Jubilee Hills, Hyderabad – 500034

Cost Auditors

M/s. A.S. Rao & Co, Cost Accountants
Dr No.6-2-981, Flat No. 501, 5th Floor, Maruthi Plaza,
Khairatabad, Hyderabad-50004

Audit Committee

Mr. P. V. Rathnam	– <i>Chairman</i>
Prof. M. Bhagavanth Rao	– <i>Member</i>
Mr. Srinivas Chidambaram	– <i>Member</i>

Management Committee

Dr. V. Manohar Rao	– <i>Chairman</i>
Mr. Santosh Varalwar	– <i>Member</i>
Mr. Subhash Varalwar	– <i>Member</i>

Risk Management Committee

Mr. Santosh Varalwar	– <i>Member</i>
Mr. S. Raghunandan	– <i>Member</i>
Dr. V Manohar Rao	– <i>Member</i>

Corporate Social Responsibility Committee

Prof. M. Bhagavanth Rao	– <i>Member</i>
Dr. V. Peesapati	– <i>Member</i>
Mr. Santosh Varalwar	– <i>Member</i>
Dr. V. Manohar Rao	– <i>Member</i>

Nomination and Remuneration Committee

Prof. M. Bhagavanth Rao	– <i>Chairman</i>
Mr. P. V Rathnam	– <i>Member</i>
Dr. V. Peesapati	– <i>Member</i>
Mr. Nixon Patel	– <i>Member</i>

Stake Holders Relationship, Grievance and Share Transfer Committee

Mr. P. V Rathnam	– <i>Chairman</i>
Mr. Santosh Varalwar	– <i>Member</i>
Dr. V. Manohar Rao	– <i>Member</i>

Registered Office

78/A, Kolhar Industrial Area,
Bidar – 585403, Karnataka

Corporate Office

2nd Floor, Veeranag Towers,
Habsiguda, Hyderabad – 500007
Tel: 91-40-27176005/27176006
Fax: 91-40-27172242

Registrar & Transfer Agents

Aarthi Consultants Private Limited
1-2-285, Domalguda, Hyderabad – 500029
Phone : 040-27638111/27634445, Fax : 040-27632184
Email : info@aarthiconsultants.com

Listing

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

Bankers

State Bank of Hyderabad
State Bank of India
State bank of India - London
Axis Bank
Exim Bank
Bank of Bahrain & Kuwait B.S.C.
Allahabad bank
IFCI Limited
International Finance Corporation



Vivimed

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